H. Doc. 82-570 v.1. IV,
H.2

# Foreign Relations of the United States 1951

## Volume IV

## Europe: Political and Economic Developments

(in two parts)

Part 2

*General Editor*
William Z. Slany

*Editors*
John A. Bernbaum — Ronald D. Landa
Joan Lee — Lisle A. Rose
Charles S. Sampson — David H. Stauffer

United States
Government Printing Office
Washington 1983

H920-9

DEPARTMENT OF STATE PUBLICATION 9424

Office of the Historian

Bureau of Public Affairs

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

# PREFACE

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts which contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series *Foreign Relations of the United States* is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925.

There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

*a.* To avoid publication of matters which would tend to impede current diplomatic negotiations or other business.

*b.* To condense the record and avoid repetition of needless details.

*c.* To preserve the confidence reposed in the Department by individuals and by foreign governments.

*d.* To avoid giving needless offense to other nationalities or individuals.

*e.* To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification—in connection with major decisions it is desirable, where possible, to show the alternative presented to the department before the decision was made.

Documents selected for publication in the *Foreign Relations* volumes are referred to the Department of State Classification/Declassification Center for declassification clearance. The Center reviews the documents, makes declassification decisions, and obtains the

clearance of geographic and functional bureaus of the Department of State, as well as of other appropriate agencies of the government. The Center, in coordination with the geographic bureaus of the Department of State, conducts communications with foreign governments regarding documents or information of those governments proposed for inclusion in *Foreign Relations* volumes.

The planning and compilation of this volume was begun by Fredrick Aandahl, General Editor until 1978, and was completed by William Z. Slany, his successor. John P. Glennon, Charles S. Sampson, and Ronald D. Landa oversaw the final preparation of this volume through the declassification process. Mr. Slany compiled the documentation on Eastern Europe except for that on Albania, Bulgaria, and Yugoslavia, which was prepared by John A. Bernbaum. Mr. Bernbaum also compiled the documentation on Austria, Italy, Trieste, the Western European Ambassador's Conference, and with Ronald D. Landa, the Vatican. Mr. Sampson prepared the compilations on Switzerland and the United Kingdom. Joan Lee compiled the documentation on Iceland and Norway, while David H. Stauffer prepared the compilation on Belgium. The rest of the volume was compiled by Lisle A. Rose.

Rita M. Baker of the Publishing Services Division (Paul M. Washington, Chief) performed the technical editing. The index was prepared by the Twin Oaks Indexing Collective.

WILLIAM Z. SLANY
*The Historian*
*Bureau of Public Affairs*

# CONTENTS


Page

PREFACE ..... III

LIST OF ABBREVIATIONS ..... IX

LIST OF PERSONS ..... XVII

LIST OF SHORT TITLES ..... XXXI

LIST OF SOURCES ..... XXXIII

Part 1

WESTERN EUROPE

MULTILATERAL RELATIONS:

Continued encouragement by the United States of efforts toward the economic and political integration of Western Europe:

I. Interest of the United States in the Organization for European Economic Cooperation, the Council of Europe, and the European Payments Union ..... 1

II. Efforts by the United States to assure the completion and ratification of the Schuman Plan for a European Coal and Steel Community ..... 86

Concern of the United States with the European coal crisis of 1951 ..... 139

The Western European Ambassadors Conference at Frankfurt, February 5–7, 1951 ..... 147

Interest of the United States in plans for the migration of surplus population from Western Europe ..... 171

The policy of the United States toward the Free Territory of Trieste ..... 204

BELGIUM:

Concern of the United States over the level of Belgium's financial support of the NATO defense effort; the diminishing need in Belgium for economic assistance ..... 268

FRANCE:

Political, economic, and military relations of the United States with France:

A. Visit to Washington of Prime Minister René Pleven, January 29–30, 1951 ..... 291

B. Visit to Washington of President Vincent Auriol, March 28–April 2, 1951 ..... 348

C. Concern of the United States with developments relating to economic support of the French rearmament program and with developments affecting the political stability of France ..... 380

ICELAND:
Relations of the United States with Iceland; conclusion of the Defense Agreement of May 1951 ..... 480

IRELAND:
Efforts by Ireland to obtain military equipment and economic assistance from the United States outside NATO membership; efforts by Ireland to enlist the support of the United States in its struggle to end partition ..... 514

ITALY:
Efforts of the United States in support of democratic forces in Italy; attitude of the United States toward the revision of the Treaty of Peace with Italy; visit of Prime Minister De Gasperi to Washington in September ..... 543

NETHERLANDS ..... 754

NORWAY:
Relations of the United States with Norway; negotiation of a possible United States-Norwegian defense agreement ..... 755

PORTUGAL:
The Mutual Defense Assistance Agreement of January 5, 1951; negotiations for the extension of United States military base rights in the Azores ..... 771

SPAIN:
Interest of the United States in the participation of Spain in the defense of Western Europe; consideration of NATO membership and alternative military arrangements ..... 773
Financial and technical assistance to Spain ..... 840
Interest of the United States in various political developments and religious and economic reforms within Spain ..... 859

SWEDEN:
Agreements between the United States and Sweden ..... 872

SWITZERLAND:
Policy of the United States with respect to Switzerland ..... 874

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
Relations of the United States with the United Kingdom ..... 887

VATICAN:
The question of possible establishment of diplomatic relations with the Holy See ..... 1000

Part 2

CENTRAL EUROPE

AUSTRIA:
Problems of occupation: United States policy in regard to the problem of occupation costs; United States financial assistance to Austria; interest in the election of a president to succeed Karl Renner; relations with the other three occupying powers ..... 1009
Participation of the United States in the negotiations for an Austrian State Treaty ..... 1092

AUSTRIA—Continued
Interest of the United States in the formation of a future Austrian army and the arming of the Austrian *gendarmerie* ..... 1187

EASTERN EUROPE

MULTILATERAL RELATIONS:
General policies and problems in United States relations with Eastern Europe and the Soviet Union; efforts of the United States to assure fulfillment of the Treaties of Peace with Bulgaria, Hungary, and Romania; civil aviation policy toward Eastern Europe and the Soviet Union; attitude of the United States toward Eastern European exile groups and escapees; response of the United States to Soviet peace propaganda ..... 1197

ALBANIA:
Attitude of the United States toward the Albanian regime ..... 1318

BULGARIA:
Policy of the United States with respect to Bulgaria ..... 1327

CZECHOSLOVAKIA:
Continued deterioration of relations with Czechoslovakia; the case of William Oatis ..... 1338

HUNGARY:
Continued hostile behavior of the Hungarian Government toward the United States; the release from Hungarian imprisonment of Robert A. Vogeler ..... 1439

POLAND:
Principal policies and problems in relations with Poland ..... 1490

ROMANIA:
Continuing deterioration in relations with Romania ..... 1509

UNION OF SOVIET SOCIALIST REPUBLICS:
Principal issues in relations with the Soviet Union; major appraisals and estimates of the Soviet Union; reports on developments of significance within the Soviet Union of concern to relations with the United States ..... 1522

YUGOSLAVIA:
Interest of the United States in supporting the independence of Yugoslavia through military and economic assistance programs and through the encouragement of expanded political relations with the West ..... 1677

INDEX ..... 1875

# LIST OF ABBREVIATIONS

EDITOR'S NOTE—This list does not include standard abbreviations in common usage; unusual abbreviations of rare occurrence which are clarified at appropriate points; and those abbreviations and contractions which, although uncommon, are understandable from the context.

**A**, Office of the Deputy Under Secretary of State for Administration
**AA**, anti-aircraft
**AAF**, Army Air Force
**AAPM**, Office of the Assistant Administrator for Program, Economic Cooperation Administration
**AC**, Allied Council for Austria
**ACLI**, *Associazione Cristiana Lavoratori Italiani* (Italian Workers Christian Association)
**AF**, Office of African Affairs, Department of State
**AFL**, American Federation of Labor
**ALCO**, document designation for papers of the Allied Council for Austria
**AmEmb**, American Embassy
**AMG**, Allied Military Government
**AMP**, additional military production
**AP**, Associated Press
**ARA**, Bureau of Inter-American Affairs, Department of State
**AusGov** (AusGovt), Austrian Government
**AV**, Aviation Policy Staff, Office of Transport and Communications Policy, Department of State
**B/P**, balance of payments
**BBC**, British Broadcasting Corporation
**BEA**, British European Airways
**Benelux**, Belgium, the Netherlands, Luxembourg
**BETFOR**, British Element, Trieste Forces
**BIS**, Bank for International Settlements
**BNA**, Office of British Commonwealth and Northern European Affairs, Department of State
**BOAC**, British Overseas Airways Corporation
**BOT**, Board of Trade (British)
**C**, Counselor of the Department of State
**CAA**, Civil Aeronautics Administration
**CAB**, Civil Aviation Board, Allied High Commission
**CARE**, Committee for American Relief for Europe
**CD**, Christian Democratic Party (Italy)
**CD**, North Atlantic Council Deputies
**CDU**, *Christlich-Demokratische Union* (Christian Democratic Union)
**CE**, Council of Europe
**CEDel**, Council of Europe Delegation
**CFM**, Council of Foreign Ministers
**CFTC**, *Confederation Française des Travailleurs Chrétiens* (French Confederation of Christian Workers)
**CGIL**, *Confederazione Generale Italiana del Lavoro* (General Confederation of Labor in Italy)
**CGT**, *Confédération Générale du Travail* (General Confederation of Labor), in France
**CIA**, Central Intelligence Agency
**CINCNELM**, Commander in Chief, United States Naval Forces, Eastern Atlantic and Mediterranean
**CIO**, Congress of Industrial Organizations
**CIR**, Interministerial Committee for Reconstruction (Italy)
**CISC**, International Federation of Christian Trade Unions
**CISL**, *Confederazione Italiana dei Sindicati Lavoratori* (Italian Confederation of Trade Unions)
**CM**, Committee of Ministers
**CNT**, *Confederaçion Nacional del Trabajo* (National Confederation of Labor), in Spain
**CO**, Commanding Officer
**COCOM**, Coordinating Committee of the Paris Consultative Group of nations working to control export of

strategic goods to Communist countries

**Cominform**, Communist Information Bureau

**CON**, Office of Security and Consular Affairs, Department of State

**Condesp**, Consulate despatch

**Contel**, Consulate telegram

**CP**, Commercial Policy Staff, Office of Economic Defense and Trade Policy, Department of State

**CP**, Communist Party

**CP's**, Contracting Parties

**CPF**, Communist Party of France

**CPG**, Central People's Government (People's Republic of China)

**CPR**, Chinese People's Republic

**CPSU**, Communist Party of the Soviet Union

**CPY**, Communist Party of Yugoslavia

**CRO**, Commonwealth Relations Office (British)

**CSA**, Czechoslovak State Airline

**DC**, Defense Committee, NATO

**DDS**, destroyers

**Def**, Department of Defense; defense

**DefMin**, Defense Minister

**del**, delegation

**Delau**, series indicator for telegrams from the United States Delegation for Austria at the Counsel of Foreign Ministers

**Delga**, series indicator for telegrams from the United States Delegation at the United Nations General Assembly

**Depciragam**, Department of State circular airgram

**Depcirtel**, Department of State circular telegram

**Depintel**, Department of State circular information telegram

**Deptel**, Department of State telegram

**Depto**, series indicator for telegrams from the United States Deputy Representative to the North Atlantic Council

**DFM**, Deputy for Austria at the Council of Foreign Ministers

**DGB**, a West German trade union

**DKBL**, *Deutsche Kohlenbergbauleitung*, temporary coal management in the Ruhr

**DKV**, *Deutsche Kohleverein* (German Central Coal Sales Agency)

**DM**, Deutsche Mark

**DMS**, Director of the Mutual Security Agency

**DP**, *Deutsche Partei* (German Party)

**DP**, displaced person

**DPA**, Defense Production Administration

**DPB**, Defense Production Board, NATO

**DRS**, Division of Research for USSR and Eastern Europe, Department of State

**E**, Assistant Secretary of State for Economic Affairs

**E/VFA**, Adviser on Voluntary Foreign Aid, Office of the Assistant Secretary of State for Economic Affairs

**EC Act**, Economic Cooperation Act of 1948

**ECA**, Economic Cooperation Administration

**ECA/W**, headquarters of the Economic Cooperation Administration in Washington

**Ecato**, series indicator for telegrams from the Economic Cooperation Administration in Washington to its missions abroad

**ECC**, European Coordinating Committee

**ECE**, Economic Commission for Europe

**ECOSOC**, Economic and Social Council of the United Nations

**ECSC**, European Coal and Steel Community created by the Schuman Plan

**EDC**, European Defense Community

**EDECC**, Executive Director, European Coordinating Committee

**EDF**, European Defense Force

**EDS**, Economic Defense Staff, Office of Economic Defense and Trade Policy, Department of State

**EDT**, Office of Economic Defense and Trade Policy, Department of State

**EE**, Office of Eastern European Affairs, Department of State

**Emb**, Embassy

**Embdesp (Emdes)**, Embassy despatch

**Emboff**, Embassy officer

**Embtel (Emtel)**, Embassy telegram

**EPD**, European Program Division, Economic Cooperation Administration

**EPU**, European Payments Union

**ERP**, European Recovery Program

**EUCOM**, European Command, United States Army

**EUR**, Bureau of European Affairs, Department of State; Europe; European

**EUR/RA**, Office of European Affairs, Bureau of European Afairs, Department of State

**EXCO**, Executive Committee of the Allied Council in Austria

**Excon**, designation for telegrams dealing with the export control program

**Exim (ExIm, Ex-Im) Bank (Eximbank)**, Export-Import Bank of Washington
**FAO**, Food and Agriculture Organization
**FBI**, Federal Bureau of Investigation, Department of Justice
**FBO**, Division of Foreign Buildings Operations, Department of State
**FCP**, French Communist Party
**FDP**, *Freie Demokratische Partei* (Free Democratic Party)
**FE**, Bureau of Far Eastern Affairs, Department of State; Far East; Far Eastern
**FEB**, Financial and Economic Board, NATO
**FedRep**, Federal Republic of Germany
**FinMin**, Finance Minister
**FM**, Foreign Minister
**FO**, *Force Ouvrière* (Workers Force), in France
**FonAff**, Foreign Affairs
**FonMin**, Foreign Minister (Ministry)
**FonOff**, Foreign Office
**FonSecy**, Foreign Secretary
**FP**, Division of Foreign Service Personnel, Department of State
**FP&TD**, Financial Policy and Trade Development Division, Economic Cooperation Administration
**FRBNY**, Federal Reserve Bank of New York
**FRC**, Federal Records Center
**F&TP**, Financial and Trade Policy Division, Economic Cooperation Administration
**FTT**, Free Territory of Trieste
**FY**, fiscal year
**FYI**, for your information
**G**, Deputy Under Secretary of State
**GA**, General Assembly of the United Nations
**GAA**, General Armistice Agreement
**GADel**, United States Delegation at the United National General Assembly; also Gadel, series indicator for telegrams to the United States Delegation
**GAI**, Office of German Public Affairs, Department of State
**GATT**, General Agreement on Tariffs and Trade
**GEA**, Office of German Economic Affairs, Department of State
**GER**, Bureau of German Affairs, Department of State
**GPA**, Office of German Political Affairs, Department of State
**GTI**, Office of Greek, Turkish, and Iranian Affairs, Department of State
**H**, Assistant Secretary of State for Congressional Relations
**HC**, High Commissioner
**HICOG**, United States High Commissioner for Germany
**HICOM**, High Commission(er) for Germany
**HMG**, His Majesty's Government (British)
**HPPP**, High Priority Production Program
**IAC**, Intelligence Advisory Committee
**IAD**, Division of Acquisition and Distribution, Department of State
**IAR**, International Authority for the Ruhr
**IARA**, Inter-Allied Reparation Agency
**IBD**, Division of International Broadcasting, Department of State
**IBRD**, International Bank for Reconstruction and Development
**IC**, Indochina
**ICCTU**, International Confederation of Christian Trade Unions
**IceGov**, Icelandic Government
**ICFTU**, International Confederation of Free Trade Unions
**ICJ**, International Court of Justice
**IE**, International Information and Educational Exchange Program, Department of State
**IFI**, Division of International and Functional Intelligence, Department of State
**IL**, International List (of embargoed goods)
**ILO**, International Labor Organization
**IMC**, International Materials Conference
**IMF**, International Monetary Fund
**infotel**, information telegram
**INI**, *Instituto Nacional de Industria* (Spanish industrial group)
**INP**, Division of International Press and Publications, Department of State
**INR**, Bureau of Intelligence and Research, Department of State
**instr**, instruction
**intel**, circular information telegram
**IP**, initial payment
**IPMD-series**, series designation for preparatory papers on subjects to be discussed with Italian Prime Minister De Gasperi on his visit to Washington in September 1951

**IRO**, International Refugee Organization
**ISA**, Office of International Security Affairs, Department of State
**ISAC**, International Security Affairs Committee
**ISG**, Intergovernmental Study Group (on Germany)
**ITP**, Office of International Trade Policy, Department of State
**JAG**, Office of the Judge Advocate General
**JAMAG**, Joint American Military Advisory Group
**JCS**, Joint Chiefs of Staff
**JMST**, Joint Military Survey Team
**Joint Weeka**, weekly, interagency summary analysis from United States diplomatic missions
**JSPD**, Joint Subsidiary Plans Divisison, Joint Chiefs of Staff
**KLM**, Royal Dutch Airlines
**L**, Office of the Legal Adviser, Department of State
**L/A**, Assistant Legal Adviser for Administration and Foreign Service, Department of State
**L/E**, Assistant Legal Adviser for Economic Affairs, Department of State
**L/EUR**, Assistant Legal Adviser for European Affairs, Department of State
**L/GER**, Assistant Legal Adviser for German Affairs, Department of State
**L/UNA**, Assistant Legal Adviser for United Nations Affairs, Department of State
**LA**, Latin America
**LCGIL**, *Libera Confederazione Generale Italiana dei Lavoratori*, Italian labor group
**Leg**, Legation
**Legdes**, (**Legdesp**), Legation despatch
**Legtel**, Legation telegram
**LOC**, line of communication
**MAAG**, Military Assistance Advisory Group
**MAP**, Military Assistance Program
**MAPAI**, Labor Party in Israel
**Mapam**, *Mifleget HaPo 'alim HaM' uhedet* (United Workers Party)
**MB**, Managing Board, Economic Payments Union
**MDA**, Mutual Defense Assistance
**MDAP**, Mutual Defense Assistance Program
**MEC**, Middle East Command
**MFN**, most favored nation
**MilAtt**, Military Attaché
**MiNatDef** (**MinNatDef**), Ministry for National Defense (France)
**MinFin**, Ministry of Finance
**MinFonAff**, Ministry of Foreign Affairs
**MN**, Monetary Affairs Staff, Office of Financial and Development Policy, Department of State
**MP**, Marshall Plan
**MP**, Member of Parliament
**MPSB**, Military Production and Supply Board, NATO
**MRP**, *Mouvement Républicain Populaire*, French political party
**MSA**, Mutual Security Act (Agency)
**MSP**, Mutual Security Program
**MTD(P)**, Medium Term Defense (Plan)
**MVD**, Soviet secret police
**mytel**, my telegram
**NA**, Office of Northeast Asian Affairs, Department of State
**NAC**, North Atlantic Council
**NAM**, National Association of Manufacturers
**NAT(O)**, North Atlantic Treaty (Organization)
**NCFE**, National Committee for Free Europe
**NCO**, noncommissioned officer
**NE**, Office of Near Eastern Affairs, Department of State; Near East
**NEA**, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs
**niact**, night action, communications indicator requiring attention by the recipient at any hour of the day or night
**NIE**, National Intelligence Estimate
**Norep**, series indicator for telegrams from the military operating rights team in Norway to the Department of State
**NSC**, National Security Council
**OD**, overseas development
**ODMS**, Office of the Director for Mutual Security
**OEEC**, Organization for European Economic Cooperation
**OFD**, Office of Financial and Development Policy, Department of State
**OIR**, Office of Intelligence Research, Department of State
**OMA**, Office of Military Assistance, Office of the Assistant to the Secretary of Defense (International Security Affairs)
**OSD**, Office of the Secretary of Defense
**OSP**, off-shore procurement

**OSR**, Office of the United States Special Representative in Europe under the Foreign Assistance Act of 1948
**OSS**, Office of Strategic Services
**ourtel**, our telegram
**P**, Office of the Assistant Secretary of State for Public Affairs
**P/POL**, Public Affairs Policy Advisory Staff in the Office of the Assistant Secretary of State for Public Affairs
**PA**, payment allocations
**PA**, Political Adviser
**PG**, military telegram series indicator
**PC's**, *Parties Contractuelles* (contractual parties to the Organization for European Economic Cooperation)
**PCI**, Italian Communist Party
**PD**, Passport Division, Department of State
**PL**, Public Law
**PLI**, Prohibited and Limited Industries Agreement
**PM**, Prime Minister
**PNG**, *persona non grata*
**POC**, Peace Observation Commission
**POL**, petroleum, oil, and lubricants
**PolAd**, Political Adviser
**PolPress**, Polish Press
**POW**, prisoner of war
**PPS**, designation for documents by the Policy Planning Staff, Department of State
**Prestel**, designation for telegrams summarizing press reports
**PRI**, *Partito Republicano Italiano* (Italian Republican Party)
**PriMin**, Prime Minister
**PRL**, *Parti Republicain de la Liberté*, French political party
**PRS**, Program Planning and Evaluation Staff, Department of State
**PSB**, Psychological Strategy Board
**PSC**, Social Christian Party of Belgium
**PSI**, *Partito Socialista Italiano* (Italian Socialist Party)
**PSSIIS**, Italian political party
**PT**, Peace Treaties
**R**, Office of the Special Assistant for Intelligence, Department of State
**RA**, Office of European Regional Affairs, Bureau of European Affairs, Department of State
**RAF**, Royal Air Force (British)
**reDepcirtel**, regarding Department of State circular telegram
**reDeptel**, regarding Department of State telegram
**reEmbtel**, regarding Embassy telegram
**refContel**, reference Consulate telegram
**reftel**, reference telegram
**reLegtel**, regarding Legation telegram
**Repna**, series indicator for telegrams on matters dealing with NATO from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
**Repno**, series indicator for telegrams to the military operating rights team in Norway from the Department of State
**Repto**, series indicator for messages to the Economic Cooperation Administration headquarters in Washington from the United States Special Representative in Europe under the Foreign Assistance Act of 1948
**reurtel**, regarding your telegram
**RFE**, Radio Free Europe
**RGR**, *Rassemblement des Gauches Republicaines*, French political party
**RN**, Royal Navy (British)
**RNAF**, Royal Norwegian Air Force
**RNN**, Royal Norwegian Navy
**ROK**, Republic of Korea
**RPF**, *Rassemblement du Peuple Français*, French political party
**RPR**, Romanian People's Republic
**Rpts**, series designation for reports prepared in the Department of State for use in possible talks with the Soviet Union in the spring of 1951
**RSA**, rest of the sterling area
**S**, Office of the Secretary of State
**S/A**, Ambassador at Large, Department of State
**S/ISA**, Office of International Security Affairs, Department of State
**S/M**, Office of the Special Assistant to the Secretary of State (Migration Affairs)
**S/P**, Policy Planning Staff, Department of State
**S/S**, Executive Secretariat, Department of State
**S/S-PR**, Protocol Staff, Executive Secretariat, Department of State
**S/S-S**, Committee Secretariat Staff, Executive Secretariat, Department of State
**SA/M**, Special Assistant to the Secretary of State (Press Relations)
**SACEUR**, Supreme Allied Commander, Europe
**SAK**, *Suomen Amattiyhdistysten Keskusbitto* (Central Federation of Finnish Trade Unions)
**SC**, Security Council of the United Nations

**SCAP**, Supreme Commander for the Allied Powers in Japan
**SEA**, Southeast Asia
**SecGen (Secy Gen)**, Secretary-General
**SecState**, Secretary of State
**Secto**, series indicator for telegrams to the Department of State from the Secretary of State or his Delegation in connection with conferences of Foreign Ministers
**SFIO**, *Section française de l'internationale ouvrière*, official title of the French Socialist party
**SG**, Standing Group of the Military Committee of the North Atlantic Council
**SHAPE**, Supreme Headquarters, Allied Powers, Europe
**Sigto**, series indicator for telegrams from the United States Delegation at the Intergovernmental Study Group on Germany
**SKF**, *Svenska Kullagerfabriken, AB*
**SOA**, Office of South Asian Affairs, Department of State
**Socobel (Socobelge)**, Standard Oil Company of Belgium
**SPD**, *Sozialdemokratische Partei Deutschlands* (German Social Democratic Party)
**SY**, Division of Security, Department of State
**SYG**, Secretary-General of the United Nations
**TA**, technical assistance
**TA**, trade agreement
**Taf**, series indicator for telegrams from the Commander of the British-United States Zone of the Free Territory of Trieste to the Department of the Army and the British Ministry of Defence
**TCC**, Temporary Council Committee, NATO
**TD**, Telecommunications Policy Staff, Office of Transport and Communications Policy, Department of State
**telecon**, telecommunication conference
**Todep**, series indicator for telegrams to the United States Deputy Representative to the North Atlantic Council
**TO&E**, Table of Organization and Equipment
**Toeca**, series indicator for telegrams to the Economic Cooperation Administration in Washington from its missions abroad
**Toisa**, designation for telegrams dealing with matters within the responsibility of the Director, International Security Affairs, Department of State
**Tomap**, designation for telegrams concerned with the Mutual Defense Assistance Program
**Torep**, series indicator for messages from the Economic Cooperation Administration headquarters in Washington to the United States Special Representative in Europe under the Foreign Assistance Act of 1948
**Tosec**, series indicator for telegrams from the Department of State to the Secretary of State or his Delegation in connection with conferences of Foreign Ministers
**TRC/TD**, Telecommunications Policy Staff, Office of Transport and Communications Policy, Department of State
**TRUST**, Trieste, United States Troops
**TU**, trade union
**TUAC**, Trade Union Advisory Committee, Organization for European Economic Cooperation
**TUC**, Trade Union Council (British)
**U**, Under Secretary of State
**UDSR**, *Union Démocratique et Socialiste de la Résistance*, French political party
**UIL**, *Unione Italiana del Lavoro* (Italian Union of Labor)
**UM**, designation for documentation circulated in the Under Secretary of State's Meetings
**UN**, United Nations
**UNA**, Bureau of United Nations Affairs, Department of State
**UNA/P**, United Nations Planning Staff, Department of State
**UNA/R**, Refugees and Displaced Persons Staff, Bureau of United Nations Affairs, Department of State
**UNE**, Office of United Nations Economic and Social Affairs, Department of State
**UNGA**, United Nations General Assembly
**UNI**, Division of International Administration, Department of State
**UNICEF**, United Nations International Children's Emergency Fund
**UNO**, United Nations Organization
**UNP**, Office of United Nations Political and Security Affairs, Department of State
**UNSCOB**, United Nations Special Committee on the Balkans
**UP**, United Press

**UPU**, Universal Postal Union
**urdes (urdesp)**, your despatch
**urinfo**, your information
**urtel**, your telegram
**USAF**, United States Air Force
**USAFE**, United States Air Force, Europe
**USCOA**, United States Command, Austria
**USDel**, United States Delegation
**USDep**, United States Deputy Representative on the North Atlantic Council
**USFA**, United States Forces in Austria
**USIA**, United States Information Agency
**USIE**, United States Information and Educational Exchange Program
**US Info**, United States Information Service
**USIS**, United States Information Service
**USPolAd**, United States Political Adviser
**USRep**, United States Representative
**USUN**, United States Mission at the United Nations
**VD**, Visa Division, Office of Security and Consular Affairs, Department of State
**VIAC**, Vienna Inter-Allied Command
**VOA**, Voice of America
**VOANY**, Voice of America at New York
**VOEST**, *Vereinigte Oesterreichische Eisen und Stahlwerke* (United Austrian Iron and Steel Works)
**WE**, Office of Western European Affairs, Department of State
**Weeka**, see Joint Weeka
**WFDY**, World Federation of Democratic Youth
**WFM**, Washington Foreign Ministers Meeting
**WFTU**, World Federation of Trade Unions
**WG**, Working Group
**WU**, Western Union (Belgium, France, Luxembourg, the Netherlands, and the United Kingdom, signatories of the Treaty of Brussels, March 17, 1948)
**YuGov**, Yogoslav Government

# LIST OF PERSONS

EDITOR'S NOTE: The identification of the persons in this list is limited to circumstances and positions under reference in this volume. Historical personages alluded to in the volume and certain minor officials are not identified. All titles and positions are American unless there is an indication to the contrary.

ABBOTT, George M., Counselor of Legation in Hungary

ABRAMS, Frank W., Chairman of the Board, Standard Oil Company of New Jersey

ACHESON, Dean G., Secretary of State

ADENAUER, Konrad, Chancellor and, from March 1951, Foreign Minister of the Federal Republic of Germany

AIKEN, Frank, Irish Foreign Minister, from June 1951

AIREY, Major General Sir Terence S., Commander, British-United States Zone of the Free Territory of Trieste, until March 1951

ALBA DELIBES, Jaime, Spanish Under Secretary of Foreign Economy and Commerce

ALBERT, Belgian Prince of Liége

ALEKSEY (ALEXIUS), Russian Orthodox Patriarch of Moscow and All Russia

ALEXANDER, Robert C., Assistant Chief, Visa Division, Department of State

ALLAN, Willard, Third Secretary of Embassy in Greece, until June 20, 1951; Second Secretary until October 2, 1951; thereafter, in the Office of Eastern European Affairs, Department of State

ALLEN, Edgar P., Office of Western European Affairs, Department of State

ALLEN, George V., Ambassador to Yugoslavia

ALLEN, Richard F., Chief, ECA Mission in Yugoslavia

ALLEN, Ward P., Acting United Nations Adviser, Bureau of European Affairs, Department of State

ALPHAND, Hervé, French Deputy Representative on the North Atlantic Council

ANDERSON, Daniel V., First Secretary of Embassy in Spain

ANDERSON, Eugenie, Ambassador to Denmark

ANDREWS, George D., Consul at Strasbourg, France

ARON, M.A., leader of the French steel industry and its representative on the Working Committee of the Schuman Plan Conference

ATTLEE, Clement R., British Prime Minister and First Lord of the Treasury, July 1945–October 1951

AURIOL, Vincent, President of the French Republic

AUSTIN, Warren R., Permanent Representative at the United Nations

BAILEY, V. Gerald, Secretary, East-West Relations Committee, British Society of Friends; Head of the British Society of Friends Delegation to the Soviet Union, July 16–28, 1951

BAO DAI, Chief of State of Viet-Nam

BARBOUR, Walworth, Counselor of Embassy with rank of Minister in the Soviet Union, until July 1951; Bureau of European Affairs, Department of State, from July 1951; Acting Director, Office of Eastern European Affairs, from October 1951

BARKLEY, Alben W., Vice President of the United States

BARNARD, Chester I., President of the Rockefeller Foundation

BARNARD, John L., Intelligence Adviser, Bureau of European Affairs, Department of State; transferred to the Office of European Regional Affairs in the fall of 1951

BARNES, Robert G., Chief, Policy Report Staff, Executive Secretariat, Department of State; Acting Deputy Director, Executive Secretariat, from May 21, 1951; Deputy Director, Executive Secretariat, from September 2, 1951

BARRETT, Edward W., Assistant Secretary of State for Public Affairs

BATT, William L., Chief, ECA Mission in the United Kingdom; United States Representative, Defense Production Board, NATO

BATTLE, Laurie C., Member of the House of Representatives from Alabama; member of the House Committee on Foreign Affairs

BATTLE, Lucius D., Special Assistant to the Secretary of State

BAY, Charles Ulrich, Ambassador to Norway

BEAM, Jacob D., Counselor of Embassy in Yugoslavia

BEGOÜGNE DE JUNIAC, Gontran, French First Counselor of Embassy in the United States; Head of the French Delegation to the Tripartite Committee on Military Assistance to Yugoslavia, meeting in Washington, beginning April 9, 1951

BEIGEL, Edgar J., Office of Western European Affairs, Department of State

BELL, John O., Assistant Director, Office of International Security Affairs, Department of State, until October 1951; from December 1951, Counselor of Embassy in Denmark

BENEDIKTSSON, Bjarni, Icelandic Foreign Minister

BENTON, William, Senator from Connecticut

BÉREI, Andor, Hungarian Deputy Foreign Minister

BEVAN, Aneurin, British Minister of Labor and National Service

BIDAULT, Georges, French Deputy Prime Minister and Minister of State, March–August 1951; thereafter, Minister of National Defense; Member of the Chamber of Deputies; President of the *Mouvement Republicain Populaire*

BISSELL, Richard M., Jr., Deputy Administrator for Economic Cooperation, until September 1951; from September, Acting Administrator; from December 1951, Deputy Director for Mutual Security

BLACK, Eugene R., President of the International Bank for Reconstruction and Development

BOEGNER, Jean-Marc, Chief, Foreign Office, Southern European Division, French Foreign Ministry

BOERNER, Alfred V., Director, Policy Staff, Office of Public Affairs, HICOG

BOHLEN, Charles E., Minister to France, until March 1951; Counselor of the Department of State, from March 13, 1951; member of the Senior Staff, National Security Council, from July 1951

BONBRIGHT, James C. H., Deputy Assistant Secretary of State for European Affairs

BONNEFOUS, Edouard, French Delegate to the Consultative Assembly, Council of Europe

BONNET, Henri, French Ambassador to the United States

BONSAL, Philip W., Counselor of Embassy in France

BOYD, John G., British First Secretary of Embassy in the United States

BRADLEY, General of the Army Omar N., Chairman, Joint Chiefs of Staff

BRASSARD, Reverend Father John Odillon Arthur, Member of the Assumptionist Order; the American Catholic priest ministering to the spiritual needs of American Catholics in Moscow

BRENTANO, Heinrich von, Chairman, Christian Democratic Union Party; Chairman, German Federal Republic Delegation to the Council of Europe

BREWER, Sam Pope, Correspondent for *The New York Times* (at Madrid)

BRIGGS, Ellis O., Ambassador to Czechoslovakia

BRUCE, David K. E., Ambassador to France; observer at the Conference for the Organization of a European Defense Community, from February 1951
BRUNER, Mirko, Yugoslav First Secretary of Embassy in the United States
BRUSASCA, Giuseppe, Italian Foreign Ministry
BURNS, Major General James H., USA (Ret.), Assistant to the Secretary of Defense for International Security Affairs, until July 1951
BURROWS, Bernard A.B., British Counselor of Embassy in the United States
BUTTERWORTH, W. Walton, Ambassador to Sweden
BYINGTON, Homer M., Jr., Director, Office of Western European Affairs, Department of State
BYRNS, Kenneth A., Office of British Commonwealth and Northern European Affairs, Department of State
BYROADE, Henry A., Director, Bureau of German Affairs, Department of State

CABOT, Thomas D., Director of International Security Affairs, Department of State, February–October 1951
CACCIA, Sir Harold Anthony, British High Commissioner for Austria; Minister to Austria, until November 1951; thereafter, Ambassador from November 1951
CAMP, Miriam, Officer in Charge of Economic Organization Affairs, Office of European Regional Affairs, Department of State
CAMPBELL, John C., Officer in Charge of Balkan Affairs, Office of Eastern European Affairs, Department of State
CARNEY, Admiral Robert B., Commander in Chief, United States Naval Forces, Eastern Atlantic and Mediterranean, 1950–1952; Commander in Chief, Allied Forces, Southern Europe and Commander in Chief, Allied Naval Forces, Southern Europe, from June 18, 1951
CATTIER, Jean, Chief, ECA Special Mission in the German Federal Republic and Director, Office of Economic Affairs, HICOG, until July 1951
CHEETHAM, Nicholas J.A., Head of the Southern Department, British Foreign Office
CHURCHILL, Winston S., Leader of the Conservative Party in the British House of Commons, until October 1951; Prime Minister and First Lord of the Treasury, from October 26, 1951
CLEVELAND, Harlan, Deputy to the Assistant Administrator for Program, ECA; Chairman, Finance and Economic Group, ISAC
COLLADAY, Montgomery H., Officer in Charge of Italian and Austrian Affairs, Office of Western European Affairs, Department of State
COLLINS, General J. Lawton, Chief of Staff, U.S. Army
CONNALLY, Tom, Senator from Texas; Chairman, Senate Committee on Foreign Relations
CORBETT, Jack C., Deputy Director, Office of Financial and Development Policy, Department of State
COX, Edward E., Member of the House of Representatives from Georgia
CUMMING, Hugh S., Jr., Counselor of Embassy in the Soviet Union; with rank of Minister, from August 14, 1951
CUNHA, Paulo A. V., Portuguese Foreign Minister
CUNHA, Vasco da, Director of Political Affairs, Portuguese Foreign Ministry

DARIDAN, Jean, French Minister Counselor of Embassy in the United States
DAVIS, Nathaniel P., Minister to Hungry, until May 18, 1951
DAVIS, Richard H., Officer in Charge of U.S.S.R. Affairs, Office of Eastern European Affairs, Department of State
DAWSON, Harris P., Jr., Office of Western European Affairs, Department of State
DAWSON, Laurence A., Refugees and Displaced Persons Staff, Bureau of United Nations Affairs, Department of State

DAYTON, M. Leon, Chief, ECA Mission in Italy
DE GASPERI, Alcide, Italian Prime Minister and, from July 26, 1951, Foreign Minister
DE GAULLE, General Charles, former President of the Provisional Government of the French Republic; Leader of the *Rassemblement du Peuple Français*
DEGREEF, Colonel Édouard, Belgian Defense Minister
DE JUNIAC. *See* Begoügne de Juniac.
DE LATTRE DE TASSIGNY, General of the Army Jean, French High Commissioner in Indochina; Commander in Chief, French Union Forces in Indochina
DE MARGERIE. *See* Jacquin de Margerie.
DE VALERA, Eamon, Irish Prime Minister, from June 13, 1951
DILLON, Thomas P., Office of Eastern European Affairs, Department of State
DJILAS, Milovan, Yugoslav Minister Without Portfolio
DONNELLY, Walter J., United States High Commissioner for Austria; Minister to Austria, until November 1951; thereafter, Ambassador to Austria
DOWLING, Walter C., Deputy High Commissioner for Austria
DOYLE, Michael Francis, prominent Catholic layman and lawyer in practice in Philadelphia, Pennsylvania
DUFAULT, Reverend Wilfred J., Provincial of the Assumptionist Order
DULLES, Eleanor L., Office of Western European Affairs, Department of State
DULLES, John Foster, Consultant to the Secretary of State
DUNHAM, William B., Office of Western European Affairs, Department of State
DUNN, James C., Ambassador to Italy

EDEN, Anthony, a leader of the Conservative Party in the British House of Commons; Secretary of State for Foreign Affairs, from October 27, 1951
EISENHOWER, General of the Army Dwight D., USA, Supreme Allied Commander, Europe
ELLIOTT, William Y., Assistant to the Director, Office of Defense Mobilization
ERHARD, Dr. Ludwig, German Federal Republic Minister of Economic Affairs
EVANS, Barbara, Personal Assistant to the Secretary of State

FIGL, Dr. Leopold, Austrian Chancellor
FLACK, Joseph, Ambassador to Poland
FORD, Peyton, Deputy Attorney General
FORRESTEL, Rear Admiral Emmet P., USN, Chief, United States Military Assistance Advisory Group in the Netherlands
FOSTER, William C., Administrator for Economic Cooperation, until September 1951; Deputy Secretary of Defense, from September 1951
FRANCFORT, Pierre, French Counselor of Embassy in the United States
FRANCO Y BAHAMONDE, General Francisco, Spanish Chief of State and Prime Minister
FRANKS, Sir Oliver S., British Ambassador to the United States
FYFE, Sir David Patrick, British Secretary of State for the Home Department and Minister for Welsh Affairs; Chairman, British Delegation to the Consultative Assembly, Council of Europe

GAITSKELL, Hugh, British Chancellor of the Exchequer, until October 1951
GALLOWAY, Robert E., Chief, ECA Mission in Trieste
GANNETT, Michael R., Office of Eastern European Affairs, Department of State
GANTENBEIN, James W., Chargé in Romania
GARNER, Robert L., Vice President of the International Bank for Reconstruction and Development
GARRETT, George A., Ambassador to Ireland, until May 1951

GASTON, Herbert E., President and Chairman of the Board of Directors, Export-Import Bank of Washington

GIFFORD, Walter S., Ambassador to the United Kingdom

GILLETTE, Guy M., Senator from Iowa

GLEISSNER, Heinrich, Governor (*Landeshauptmann*) of Upper Austria (province); People's Party nominee for President of the Austrian Republic

GODLEY, G. McMurtrie, 2d, Office of Western European Affairs, Department of State

GOETZMANN, Jule L., Monetary Affairs Staff, Office of Finance and Development Policy, Department of State

GOLDENBERG, Leon, Iron and Steel Specialist, Special Adviser to the Deputy Chief, ECA Mission in France

GOOTT, Daniel, Office of the Labor Adviser to the Assistant Secretary of State for Economic Affairs, Department of State

GORDON, Lincoln, Economic Adviser to the Special Assistant to the President (Harriman); Assistant to the Deputy Administrator for Economic Cooperation

GOTTWALD, Klement, President of the Czechoslovak Republic; Chairman of the Czechoslovak Communist Party

GREEN, Theodore Francis, Senator from Rhode Island

GREEN, William, President of the American Federation of Labor

GREEN, Joseph N., Jr., Office of Western European Affairs, Department of State

GRIFFIS, Stanton, Ambassador to Spain, appointed February 1, 1951

GROMYKO, Andrey Andreyevich, Soviet First Deputy Foreign Minister

GROSZ, Archbishop Joszef, of Kalocsa, acting Head of the Roman Catholic Church in Hungary, convicted on charges of conspiracy against the Hungarian Government, June 1951

GRUBER, Karl, Austrian Foreign Minister

GRUENTHER, Lieutenant General Alfred M., USA, Chief of Staff, SHAPE; General, from August 1, 1951

HALL, Robert L., Director, Economic Section, British Labor Cabinet

HALL-PATCH, Sir Edmund Leo, Permanent British Representative at the Organization for European Economic Cooperation

HALLSTEIN, Walter, State Secretary for Foreign Affairs in the German Federal Chancellery, from August 1950; State Secretary and Head of the Office for the Schuman Plan in the German Federal Republic Foreign Office, from March 13, 1951

HAMMARSKJÖLD, Dag, Secretary General, Swedish Foreign Office; Swedish Delegate to the Organization for European Economic Cooperation; Deputy Foreign Minister, from February 1951

HANDY, General Thomas T., USA, Commander in Chief, European Command

HARRIMAN, W. Averell, Special Assistant to the President until October 1951; Chairman, NATO Temporary Council Committee, North Atlantic Council, from September 1951; Director for Mutual Security, from October 1951

HARRISON, Geoffrey W., Head of the Northern Department, British Foreign Office, until October 1951; thereafter, Assistant Under Secretary of State of Foreign Affairs

HAUGE, Jens Christian, Norwegian Minister of Defense

HAYS, Major General George P., USA, United States Deputy High Commissioner for Germany

HEATH, Donald R., Minister to the State of Viet-Nam; also accredited as Minister to the Kingdoms of Cambodia and Laos

HELMER, Oskar, Austrian Minister of the Interior

HENRY, David H., 2d, Office of Eastern European Affairs, Department of State

HEROD, William R., Coordinator of North Atlantic Defense Production; *ex officio* member of the Defense Production Board, NATO

HERZ, Martin F., Second Secretary of Embassy in France

HICKERSON, John D., Assistant Secretary of State for United Nations Affairs

HIGGS, L. Randolph, Deputy Director, Office of Eastern European Affairs, Department of State

HILL, Herbert W., Bureau of European Affairs, Department of State

HILTON, Howard J., Jr., Office of Western European Affairs, Department of State

HIRSCH, Etienne, Deputy Commissioner General of the Plan for Modernization and Reequipment of the French Economy; French Deputy Commissioner of the Preparatory Conference on the Schuman Plan

HOLMES, Julius C., Minister to the United Kingdom

HOOKER, John S., Alternative Executive Director, International Bank for Reconstruction and Development and International Monetary Fund

HOROWITZ, Daniel L., Labor Economist, Office of European Regional Affairs, Department of State

HOWE, Fisher, Deputy Special Assistant for Intelligence, Department of State

HUMPHREY, Hubert H., Senator from Minnesota

HUNTINGTON, Colonel Ellery C., Jr., USA, Chief, Independent United States Military Mission to Yugoslav National Liberation Force (Tito's Partisans) in 1944

HUSTON, Cloyce K., Office of European Affairs, Department of State, until May 1951; Counselor of Embassy in Ireland, from June 1951; Chargé in Ireland, June 9–October 10, 1951

JACOBS, George R., Assistant Chief, Division of Industry and Development, Office of German Economic Affairs, Department of State, until February 1951; thereafter, International Relations Officer in the same Office

JACOBS, Joseph E., Minister to Italy

JACOBSEN, Frithjof, American desk, Norwegian Foreign Office; member of Norwegian team negotiating with the United States on military operating rights in Norway

JACQUIN DE MARGERIE, Christian, French Counselor of Embassy in the United States until July 1951; thereafter, Counselor of Embassy in Vatican City

JAMES, Virginia H., Office of Eastern European Affairs, Department of State

JAMIESON, Kenneth D., British Second Secretary of Embassy in the United States

JANNELLI, Pasquale, Director General of Political Affairs, Italian Foreign Ministry from March 1951

JAVITS, Jacob K., Member the of the House of Representatives from New York

JELLICOE, Earl, British First Secretary of Embassy in the United States, until September 1951

JESSUP, Philip C., Ambassador at Large; member of the National Security Council Senior Staff, until July 1951

JOHNSON, John A., Associate General Counsel, Department of the Air Force

JOHNSON, Valdemar N. L., Office of Eastern European Affairs, Department of State

JOHNSTON, Eric A. Administrator, Economic Stabilization Agency

JONES, John Wesley, Counselor of Embassy in Spain; Chargé in Spain, December 13, 1950–February 28, 1951

JOVANOVIĆ, Radoš, Yugoslav Minister to Greece

JOYCE, Robert P., Policy Planning Staff, Department of State

JUAN CARLOS, of Bourbon (Don Juan), Count of Barcelona, Pretender to the Spanish throne

JUDD, Walter H., Member of the House of Representatives from Minnesota; member of the House Committee on Foreign Affairs

JUIN, General of the Army Alphonse P., French Resident General in Morocco, until January 1951; thereafter, Inspector General, French Armed Forces; Commander in Chief, Allied Army Forces, Central Europe, from April 1951; redesignated Commander in Chief, Allied Land Forces, Central Europe, on August 2, 1951

JUNIAC. *See* Begouëgne de Juniac

KAIV, Johannes, Estonian Acting Consul General in New York City

KARDELJ, Edvard, Yugoslav Deputy Prime Minister and Foreign Minister

KATZ, Milton, United States Special Representative in Europe under the Foreign Assistance Act of 1948, until September 1951

KEATING, Kenneth B., Member of the House of Representatives from New York

KELLY, Edna F., Member of the House of Representatives from New York; member of the House Committee on Foreign Affairs

KENNAN, George F., Career Minister in the Foreign Service, on leave during 1951; proposed as Ambassador to the Soviet Union in November 1951

KIDRIČ, Boris, President of the Yugoslav Economic Council and of the Federal Planning Commission, until April 1951; thereafter, President of the Yugoslav Council for National Economy

KIMPEL, Benjamin D., Office of Western European Affairs, Department of State

KIRK, Alan G., Ambassador to the Soviet Union

KLEINWAECHTER, Ludwig V., Austrian Minister to the United States

LABOUISSE, Henry R., Jr., Director, Office of British Commonwealth and Northern European Affairs, until March 1951; Director, Planning Staff, Bureau of European Affairs, Department of State, March–August 1951; thereafter, Chief, ECA Mission in France

LACOSTE, M. Robert, leading Socialist member of the French Chamber of Deputies

LANCASTER, William W., attorney with the firm of Sherman, Sterling and Wright, New York City

LANE, Thomas J., Member of the House of Representatives from Massachusetts

LANGE, Halvard M., Norwegian Foreign Minister

LAROCK, Victor, Belgian Socialist Party member and Delegate to the Consultative Assembly, Council of Europe.

LATTRE DE TASSIGNY. *See* de Lattre de Tassigny.

LAWSON, Edward B., Minister to Iceland

LAY, James S., Jr., Executive Secretary, National Security Council

LAYTON, Baron (Walter Thomas Layton), British Delegate to the Consultative Assembly, Council of Europe

LE ROY DE LA TOURNELLE, Guy, Director General for Political and Economic Affairs, French Foreign Ministry

LEWIS, Geoffrey W., Deputy Director, Bureau of German Affairs, Department of State

LEWIS, John L., President of the United Mine Workers of America

LIE, Trygve H., Secretary-General, United Nations

LODGE, Henry Cabot, Jr., Senator from Massachusetts

LOVETT, Robert A., Deputy Secretary of Defense, until September 1951; thereafter, Secretary of Defense

LUCIOLLI, Mario, Italian Counselor of Embassy in the United States

MACARTHUR, General of the Army Douglas, Commander in Chief, Far East; Commander in Chief, United Nations Command; and Supreme Commander, Allied Powers, Japan, until April 11, 1951

MACARTHUR, Douglas, 2d, Deputy Director, Office of European Regional Affairs, Department of State, until February 1951; thereafter, Counselor of Embassy in

France, and Adviser on International Affairs to the Supreme Allied Commander, Europe

MACBRIDE, Sean, Irish Foreign Minister

MACCORMAC, John, correspondent for *The New York Times*

MACKAY, R. W. G., British Delegate to the Consultative Assembly, Council of Europe

MACVEAGH, Lincoln, Ambassador to Portugal

MAGISTRATI, Massimo, Director General for International Cooperation, Italian Foreign Ministry

MAGNANI, Valdo, Communist Party Deputy in the Italian Parliament, until his defection in January 1951

MAKINS, Sir Roger, Deputy Under-Secretary of State, British Foreign Office

MALAGODI, Giovanni Francesco, Italian Parliamentary Deputy; Secretary General, *Partito Liberale Italiano;* Italian Representative on the NATO Financial and Economic Board, the European Recovery Program, and the Organization for European Economic Cooperation

MALIK, Yakov Aleksandrovich, Soviet Deputy Foreign Minister; Permanent Representative to the United Nations

MALLET, Sir Victor, British Ambassador to Italy

MANOLA, Admiral Srećko, Deputy Commandant, Yugoslav Navy; Deputy Chief of Staff, Yugoslav Army; Commandant, Yugoslav Marines; Chief Naval Representative, Yugoslav General Staff

MARCY, Oliver M., Office of Eastern European Affairs, Department of State

MARJOLIN, Robert E., Secretary General, Organization for European Economic Cooperation

MARRAS, Lieutenant General Efisio L., Chairman, Italian Joint Chiefs of Staff; Italian Representative, Military Committee, North Atlantic Council

MARSHALL, George C., Secretary of Defense, until September 1951

MATES, Leo, Yugoslav Deputy Foreign Minister

MATTHEWS, Francis P., Ambassador to Ireland

MATTHEWS, H. Freeman, Deputy Under Secretary of State

MAYER, René, French Minister of Justice, until August 11, 1951; thereafter, French Minister of Finance; Leader of the Radical Socialist Party

MCCLOY, John J., United States High Commissioner for Germany

MCCORMACK, John W., Member of the House of Representatives from Massachusetts; Majority Leader in the House of Representatives

MCDERMOTT, Michael J., Special Assistant for Press Relations to the Secretary of State

MCFALL, Jack K., Assistant Secretary of State for Congressional Relations

MCGHEE, George C., Assistant Secretary of State for Near Eastern, South Asian, and African Affairs

MCKISSON, Robert M., Office of Eastern European Affairs, Department of State

MCMAHON, Brien, Senator from Connecticut

MERCHANT, Livingston T., Deputy Assistant Secretary of State for Far Eastern Affairs, until November 1951; thereafter, Special Assistant for Mutual Security Affairs

MOCH, Jules, French Minister of National Defense, July 1950–August 1951

MOLLET, Guy, Secretary-General, French Socialist Party; Minister of State in charge of Council of Europe Affairs, July 1950–March 1951; Deputy Prime Minister, March–August 1951

MONNET, Jean, Commissioner General of the Plan for Modernization and Reequipment of the French Economy; President of the Preparatory Conference on the Schuman Plan

MONTINI, Giovanni B., Substitute for Ordinary Affairs and Secretary of The Cipher, Vatican Secretariat of State

MORRISON, Herbert S., British Secretary of State for Foreign Affairs, March–October 1951

MURPHY, Robert D., Ambassador to Belgium

NITZE, Paul H., Director, Policy Planning Staff, Department of State

NÖLTING, Wilhelm E., Member of the Social Democratic Party, Member of the Bundestag of the Federal Republic of Germany; Delegate to the Consultative Assembly, Council of Europe

OATIS, William, Associated Press correspondent

OHLY, John H., Deputy Director of Mutual Defense Assistance, until January 8, 1951; thereafter, in the Office of International Security Affairs (ISA), Department of State; from October 1951, Assistant Director for Policy and Program Development, ISA

OLMSTED, Brigadier General George H., USA, Head of the United States Delegation to the Tripartite Committee on Military Assistance to Yugoslavia, meeting in Washington beginning April 9, 1951; Chief, Joint MDAP Mission to Yugoslavia, from August 1951

PACCIARDI, Randolfo, Italian Minister of Defense

PARIS, Jacques Camille, Secretary General, Council of Europe

PARODI, Alexandre, Secretary General, French Foreign Ministry

PASTORE, Giulio, Secretary General, Italian Confederation of Trade Unions

PAYART, Jean, French High Commissioner in Austria

PELLA, Giuseppe, Italian Minister of the Budget and Treasury, until July 1951; thereafter, Minister of the Budget

PERKINS, George W., Assistant Secretary of State for European Affairs

PETSCHE, Maurice, French Minister of Finance and Economic Affairs, until August 1951; Minister of State, August–September 1951

PFLIMLIN, Pierre, French Minister of Agriculture, until August 1951

PHILIP, André, member of the French Socialist Party; Delegate to the Consultative Assembly, Council of Europe; Chief, French Delegation to the Economic Commission for Europe

PLEVEN, René, French Prime Minister, until March 1951; then, Deputy Prime Minister, until August 1951; thereafter, Prime Minister

PLOWDEN, Sir Edwin, Chief Planning Officer and Chairman, British Economic Planning Board; Vice Chairman, Temporary Council Committee, North Atlantic Council, from September 1951

POPOVIĆ, General Koca, Yugoslav Army Chief of Staff

POPOVIĆ, Vladimir, Yugoslav Ambassador to the United States

POPPER, David H., Deputy Director, Office of United Nations Political and Security Affairs, Department of State

PORTER, Ivor F., British First Secretary of Embassy in the United States

PORTER, Paul R., Assistant Administrator for Program, ECA; Acting United States Special Representative in Europe under the Foreign Assistance Act of 1948, from September 1951

PRAT, Marqués de (Pedro de Prat y Soutzo), Director, American Policy, Spanish Foreign Ministry

PROCHAZKA, Vladimir, Czechoslovak Ambassador to the United States

QUEUILLE, Henri, French Minister of the Interior, until March 1951; then, Prime Minister, until August 1951; thereafter, Deputy Prime Minister and Minister of State

RANKOVIĆ, Aleksandar, Yugoslav Deputy Prime Minister and Minister of the Interior; Member of the Politburo of the Yugoslav Communist Party

RAYNOR, G. Hayden, Director, Office of British Commonwealth and Northern European Affairs, Department of State, from March 1951

REBER, Samuel, Jr., Director of Political Affairs and Counselor, HICOG; United States Deputy for Austria, Council of Foreign Ministers

REINHARDT, G. Frederick, Director, Office of Eastern European Affairs, Department of State

REYNAUD, Paul, former Prime Minister of France; Delegate to the Consultative Assembly, Council of Europe, 1951

RIBICOFF, Abraham A., Member of the House of Representatives from Connecticut; member of the House Committee on Foreign Affairs

RICARD, Pierre, First Vice President of the *Conseil Patronat Français*

RIDDLEBERGER, James W., Political Adviser (ECA) in the Embassy in France; at times from September 1951, Acting Deputy Special Representative in Europe under the Foreign Assistance Act of 1948

ROSEN, Martin, International Bank for Reconstruction and Development

ROSENSON, Alexander M., Chief, Monetary Affairs Staff, Office of Financial and Development Policy, Department of State

ROSS, Michael, International Representative of the Congress of Industrial Organizations

ROSSI LONGHI, Alberto, Italian Deputy Representative on the North Atlantic Council

ROWAN, Sir Leslie, British Minister (Economic) to the United States, until July 1951; Second Secretary in the British Treasury, from September 1951

RUSK, Dean, Assistant Secretary of State for Far Eastern Affairs until December 9, 1951

RUTTER, Peter, Office of Western European Affairs, Department of State

SARDELIC, Mirko, Yugoslav Counselor of Embassy in the United States

SAUVAGNARGUES, Jean, Officer in Charge of German Political Affairs, French Foreign Ministry; Acting Deputy Director (from May 1951), Deputy Director (from August 1951), Office of Central European Affairs, French Foreign Ministry

SCHAERF, Adolf, Austrian Vice Chancellor

SCHELLING, Thomas C., Economic Cooperation Administration, until July 1, 1951; thereafter, in the Executive Office of the President

SCHUMACHER, Kurt, Chairman, Executive Committee, Social Democratic Party of West Germany; Member of the Bundestag of the German Federal Republic

SCHUMAN, Robert, French Foreign Minister; Leader of the *Mouvement Républicain Populaire*

SEBREE, Major General Edmond B., USA, Commanding General, United States Forces in Trieste

SECCHIA, Pietro, Vice Secretary, Italian Communist Party

SENSI, Federico, Italian First Secretary of Embassy in the United States

SFORZA, Court Carlo, Italian Foreign Minister

SHERMAN, Admiral Forrest P., Chief of Naval Operations

SHINWELL, Emmanuel, British Minister of Defense, until October 1951

SHORT, Joseph, White House Press Secretary

SHVERNIK, Nikolay Mikhailovich, Chairman, Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics; Candidate Member of the Politburo of the Communist Party

SIROKY, Vilam, Czech Foreign Minister

SMITH, H. Alexander, Senator from New Jersey; member of the Senate Committee on Foreign Relations

SMITH, Walter Bedell, Lieutenant General (General from July 27, 1951), USA, Director of Central Intelligence

SNOW, William P., Deputy Chief of Mission and Counselor of Embassy in Norway

SPAAK, Paul-Henri, former Belgian Prime Minister and Foreign Minister; President of the Consultative Assembly of the Council of Europe, until December 1951; Leader of the Belgian Socialist Party

SPOFFORD, Charles M., United States Deputy Representative on the North Atlantic Council; Chairman of the North Atlantic Council Deputies and of the European Coordinating Committee

STALIN, Generalissimo and Marshal of the Soviet Union Iosif Vissarionovich, Chairman of the USSR Council of Ministers, and Secretary General of the Central Committee of the Communist Party of the Soviet Union

STEPINAC, Archbishop Alojzize (Aloysius), Roman Catholic Archbishop of Zagreb, sentenced to 16 years imprisonment on October 11, 1946, by the Yugoslav Government

STEVENS, Roger B., Assistant Under Secretary of State, British Foreign Office; Alternate Representative to the Intergovernmental Study Group for Germany; Representative at the Tripartite Talks on a German Financial Contribution to Western Defense, from October 1951

STINEBOWER, Leroy D., Director, Office of Financial and Development Policy, Department of State

STRUYE, Paul, President of the Belgian Senate, from June 1950; Delegate to the Consultative Assembly, Council of Europe

SVIRIDOV, Lieutenant General Vladimir Petrovich, Soviet High Commissioner for Austria; Commander in Chief, Soviet Occupation Forces in Austria

TARCHIANI, Alberto, Italian Ambassador to the United States

TASSIGNY. *See* de Lattre de Tassigny.

TAYLOR, Major General Robert K., USAF, Chief of Intelligence to the Commander, United States Command, Allied Air Forces, Northern Europe

TEITGEN, Pierre-Henri, French Delegate to the Sixth Session of the United Nations General Assembly and to the Consultative Assembly, Council of Europe

TESORO, George A., Office of Western European Affairs, Department of State

THOMPSON, Lewellyn E., Jr., Counselor of Embassy in Italy

THORP, Willard L., Assistant Secretary of State for Economic Affairs

TIBBETTS, Margaret Joy, Attaché in the United Kingdom

TIMMONS, Benson E. L., Deputy Chief, ECA Mission in France

TITO, Marshal (Josip Broz), Yugoslav Prime Minister

TOBIN, Irwin M., Special Assistant to the Secretary of State (Migration Affairs)

TRIMBLE, William C., First Secretary of Embassy in the United Kingdom, June 1948–September 1951; then, Counselor of Embassy in the United Kingdom, until October 1951; thereafter, Counselor of Embassy in the Netherlands

TRUESDELL, George E., Acting Officer in Charge of Economic Affairs, Office of Eastern European Affairs, Department of State

TRUMAN, Harry S., President of the United States

TSINYEV, Major General G. K., Soviet Deputy High Commissioner for Austria

UNGER, Leonard, United States Political Adviser to the Commander, British-United States Zone, Free Territory of Trieste

URGÜPLÜ, Suat Hayri, Turkish Delegate to the Consultative Assembly, Council of Europe

VAN SYCKLE, Colonel David L., USA, Office of the Secretary of Defense

VAN ZEELAND. *See* Zeeland.

VEDELER, Harold C., Officer in Charge of Polish, Baltic, and Czechoslovak Affairs, Office of Eastern European Affairs, Department of State

VELEBIT, Vladimir, Yugoslav Deputy Minister of Foreign Trade

VENIZELOS, Sophocles, Greek Prime Minister, until October 27, 1951; thereafter, Deputy Prime Minister; also Foreign Minister throughout 1951, Provisional Minister of Defense until February 1, 1951, then Minister of Defense until July 30, 1951

VERNON, Raymond, Commercial Policy Staff, Office of Transport and Communications Policy, Department of State, until November 1951; thereafter, Deputy Director, Office of Economic Defense and Trade Policy, Department of State

VILFAN, Joza, Deputy Foreign Minister of Yugoslavia

VOGELER, Robert A., an American citizen and Assistant Vice President of the International Telephone and Telegraph Corporation, arrested in Hungary in November 1949, held incommunicado, tried, and convicted in February 1950 by a Hungarian court of alleged espionage against Hungary; released to American authorities in April 1951

VYSHINSKY, Andrey Yanuaryevich, Soviet Foreign Minister

WALMSLEY, Walter N., Department of State, member of the National Security Council Staff

WARREN, George L., Adviser, Refugees and Displaced Persons Staff, Bureau of United Nations Affairs, Department of State; Chairman, United States Delegation to the Provisional Intergovernmental Committee for the Movement of Migrants from Europe, Brussels, November 26–December 8, 1951

WEBB, James E., Under Secretary of State

WEST, Robert R., Special Assistant to the Secretary of State (Migration Affairs); Chairman, United States Delegation to the Second International Labor Organization Conference on Migration, Naples, October 1951

WHITMAN, Roswell H., Officer in Charge of Economic Organization Affairs, Office of European Regional Affairs, Department of State

WILEY, Alexander, Senator from Wisconsin

WILLIAMSON, Francis T., Deputy Director, Office of Western European Affairs, Department of State

WILLIS, George H., Director, Office of International Finance, Department of the Treasury

WILSON, Charles E., Director of Defense Mobilization

WINFREE, Robert M., Office of Western European Affairs, Department of State

WINTERTON, General Sir John, Commander, British-United States Zone, Free Territory of Trieste, from March 1951

WOLF, Joseph J., Office of European Regional Affairs, Department of State

WOLFF, Stanley B., Office of Western European Affairs, Department of State

WOOD, C. Tyler, Deputy United States Special Representative in Europe under the Foreign Assistance Act of 1948, until late December 1951; United States Representative, NATO Financial and Economic Board, after September 1951

XANTHAKY, Theodore A., Attaché in Portugal

ZABLOCKI, Clement J., Member of the House of Representatives from Wisconsin; Chairman, Foreign Affairs Study Group, House Committee on Foreign Affairs

ZARUBIN, Georgiy Nikolayevich, Soviet Ambassador to the United Kingdom; Deputy for Austria at the Council of Foreign Ministers

ZEELAND, Paul van, Belgian Foreign Minister; Chairman, Seventh Session of the North Atlantic Council in Ottawa, September 1951

ZOPPI, Vittorio, Secretary General, Italian Foreign Ministry

# LIST OF SHORT TITLES

Acheson, *Present at the Creation:* Dean Acheson, *Present at the Creation: My Years at the State Department*, New York: W.W. Norton & Company, Inc., 1969.

*American Foreign Policy, 1950–1955: Basic Documents*, 2 vols., Washington: Government Printing Office, 1957.

Barrett, *Truth Is Our Weapon:* Edward W. Barrett, *Truth Is Our Weapon*, New York: Funk & Wagnalls Company, 1953.

Briggs, *Farewell to Foggy Bottom:* Ellis O. Briggs, *Farewell to Foggy Bottom: Recollections of a Career Diplomat*, New York: McKay, 1964.

*Documents on American Foreign Relations, 1951*, New York, published for the Council on Foreign Relations by Harper, 1952.

*Evidence of Violations of Human Rights Provisions of the Treaties of Peace by Rumania, Bulgaria, and Hungary*, vol. I, *Violations by the Rumanian Government*, Department of State Publication 4376.

Folliot, *Documents on International Affairs, 1951:* Denise Folliot, ed., *Documents on International Affairs, 1951*, Royal Institute of International Affairs, London: Oxford University Press, 1954.

*Hungarian White Book:* Hungary, Ministry for Foreign Affairs, *Documents on the Hostile Activity of the United States Government Against the Hungarian People's Republic*, Budapest: Hungarian State Publishing House, 1951.

Kennan, *Memoirs*, vol. II: George F. Kennan, *Memoirs*, vol. II, 1950–1963, Boston: Little, Brown and Company, 1972.

*Polish Documents:* Poland, Ministerstwo spraw zagranicznych, *Documents on the Hostile Policy of the United States Government Towards People's Poland*, Warsaw, 1953.

*Public Papers of the Presidents of the United States: Harry S. Truman, 1949, 1950, 1951*, Washington: Government Printing Office, 1964, 1965.

Tito, *Govori i chlantsi:* Josip Broz Tito, *Govori i chlantsi*, vol. V, Zagreb, 1959.

# LIST OF SOURCES

This list provides a brief description of the unpublished sources which, in addition to the central decimal files of the Department of State, were used in the preparation of the volume. Published primary materials which were consulted are cited where appropriate throughout the volume.

*Department of State, Washington, D.C.*

ALCO Records, Lot 62 F 69

Consolidated collection of official records of the Allied Commission for Austria (ALCO) for the years 1945–1955, as maintained by the Embassy in Vienna.

Austrian Desk Files, Lot 56 D 294

Subject files of the officer in charge of Austrian Affairs, Office of Western European Affairs, for the years 1951–1953.

Barrett Files, Lot 52 D 432

Files of Assistant Secretary of State for Public Affairs Edward W. Barrett for the year 1951.

Bonn Mission Files, McCloy Project, Lot 311

Comprises a chronological record on all phases of the work of the Office of the United States High Commissioner for Germany, including a "Diary" which indicates McCloy's daily appointments and conversations.

Camp Files, Lot 55 D 105

Special collection of documentation on European political and economic integration for the period 1948–1953, including important correspondence between officers of the Department of State and the White House staff and Congress, as maintained by Miriam Camp of the Office of European Regional Affairs.

CFM Files, Lot M–88

Consolidated master collection of the records of conferences of Heads of State, Council of Foreign Ministers and ancillary bodies, North Atlantic Council, other meetings of the Secretary of State with the Foreign Ministers of European powers, and materials on the Austrian and German peace settlements for the years 1943–1955 prepared by the Department of State Records Service Center.

Conference Files, Lot 59 D 95

Collection of documentation on official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for the period 1949–1955, as maintained by the Executive Secretariat of the Department of State.

*Current Economic Developments*, Lot 70 D 467

Master set of the Department of State classified internal publication *Current Economic Developments* for the years 1945–1969, as maintained in the Bureau of Economic Affairs.

French-Iberian Affairs Files, Lot 58 D 309

Classified files of the French-Iberian Desk, Office of Western European Affairs, for the years 1941–1957.

INR Files, Lot 58 D 528

Miscellaneous Top Secret files for the years 1949–1954 as retired by the Bureau of Intelligence and Research, including master files of Intelligence Estimates (IEs) prepared by the Department of State Estimates Group.

ISAC Files, Lot 53 D 443

Top Secret records relating to the activities of the International Security Affairs Committee for the period February–October 1951, including action summaries, memoranda of meetings, minutes, and other papers, as maintained in the Executive Secretariat of the Department of State.

ISA/MDAP Files, Lot 52-26

Files of the Office of the Director, International Security Affairs, Department of State, containing material for the years 1949–1951. Part of a consolidated group of five lot files, all of which are included in FRC Acc. No. 62 A 63. These lot files include documentation on the operations of the Office of International Security Affairs (S/ISA) and the interdepartmental International Security Affairs Committee (ISAC) during 1950–1951; material on program development and implementation of the Mutual Defense Assistance Program for 1949–1951; and documentation on planning directed toward the establishment of the Mutual Security program for 1951. The material includes subject and chronological files, and records of various departmental and interdepartmental committees concerned with military assistance and foreign aid during the 1949–1951 period.

Italian Desk Files, Lot 54 D 328

Subject files of the officer in charge of Italian affairs, Office of Western European Affairs, for the years 1945–1951.

Italian Desk Files, Lot 68 D 436

Selected working political, defense, and economic files of the officer in charge of Italian affairs, Office of Western European Affairs, for the years 1955–1965.

Jessup Files, Lot 53 D 211

Files of Ambassador at Large Philip C. Jessup for the years 1949–1953.

Lisbon Embassy Files, Lot 59 F 94

Classified central files of the Embassy in Portugal for the years 1950–1952.

Lisbon Embassy Files, Lot 59 F 95

Unclassified central files of the Embassy in Portugal for the years 1950–1952.

London Embassy Files, Lot 59 F 59

Classified central files of the Embassy in the United Kingdom for the years 1950–1952.

Policy Reports Staff Files, Lot 52-241

Master file of the Secret Summary, a Secret publication compiled daily by the Policy Reports Staff of the Executive Secretariat. Arranged chronologically.

NAC Files, Lot 60 D 137

Master file of the records of the National Advisory Council on International Monetary and Financial Problems for the years 1945–1958.

NATO Sub-Registry

Repository in the Department of State for the official documentation of the North Atlantic Treaty Organization, retained in the Office of the Deputy Assistant Secretary of State for Politico-Military Affairs.

Oslo Embassy Files, Lot 61 F 15

Top Secret files of the Embassy in Norway for the years 1945–1952.

Paris Embassy Files, Lot 58 F 53

Classified (through Top Secret) central and consular files of the Embassy in France for the years 1950–1951.

PPS Files, Lot 64 D 563

Master file of documents, drafts, records of meetings, memoranda, and related correspondence of the Policy Planning Staff for the years 1947–1953.

Secretary's Memoranda, Lot 53 D 444

Comprehensive chronological collections of the Secretary of State's memoranda, memoranda of conversation, and memoranda of conversation with the President for the years 1947–1953, as maintained by the Executive Secretariat of the Department of State.

Secretary's Daily Meetings, Lot 58 D 609

Chronological collection of the records of the Secretary of State's daily meetings with top Department of State officials for the years 1949–1952, as maintained by the Special Assistant to the Secretary of State.

Secretary's Memoranda of Conversation, Lot 65 D 238

Chronological collections of the Secretary of State's memoranda of conversation with the President for the years 1949–1952, memoranda of the Secretary of State and Under Secretary of State for the years 1951–1952, and the Secretary of State's memoranda of conversation with Senator Tom Connally of Texas for the years 1950–1951, as maintained by the Executive Secretariat.

S/P–NSC Files, Lot 62 D 1

Serial and master file of National Security Council documents and correspondence for the years 1948–1961, as maintained by the Policy Planning Staff.

S/S–NSC Files, Lot 63 D 351

Serial master file of National Security Council documents and correspondence and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat of the Department of State.

State–JCS Meetings, Lot 64 D 563

See PPS files, Lot 64 D 563

Under Secretary's Meetings, Lot 53 D 250

Master file of records of meetings, documents, summaries, and agenda of the Under Secretary's meetings for the years 1949–1952, as maintained by the Executive Secretariat of the Department of State.

Vienna Post Files, Lot 55 F 125

Top Secret files of the Mission in Austria, 1950–1952.

*Harry S. Truman Library, Independence, Missouri*

Myron C. Taylor Papers
Truman Papers, President's Secretary's File, Subject File

*Washington National Records Center, Suitland, Maryland*

ECA Message Files, FRC 53 A 278

Master set of telegrams and airgrams to and from all overseas missions for the years 1948–1951 as maintained by ECA Washington headquarters.

*Other*

Department of Defense Files
JCS Files
Public Record Office, London, England, FO 371

# CENTRAL EUROPE

## AUSTRIA

**PROBLEMS OF OCCUPATION: UNITED STATES POLICY IN REGARD TO THE PROBLEM OF OCCUPATION COSTS; UNITED STATES FINANCIAL ASSISTANCE TO AUSTRIA; INTEREST IN THE ELECTION OF A PRESIDENT TO SUCCEED KARL RENNER; RELATIONS WITH THE OTHER THREE OCCUPYING POWERS** [1]

### No. 466

763.11/12-3150: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

CONFIDENTIAL VIENNA, December 31, 1950—6 p.m.

1328. As chairman of AC for coming month I proposed today to General Tsinev and my British and French colleagues that the following message in form of AC resolution be transmitted to Austrian Government:

"The Allied Council desires to express to the Federal Chancellor, and through him to his government and the people of Austria its sincere condolences on the loss of the President of the Republic of Austria, Dr. Karl Renner. [2]

In recognition of President Renner's manifest contribution to the restoration of Austrian democracy, the Allied Council on this sorrowful occasion renders solemn tribute to the memory of this distinguished statesman, and conveys its deep sympathy to the Austrian people for whom he devoted an unselfish lifetime of service."

British and French agreed but first sentence only acceptable to General Tsinev who objected to second sentence on grounds that it represented political evaluation which was not proper for the AC. He was agreeable to wreath being sent on behalf all four High Commissioners.

---

[1] For previous documentation on these subjects, see *Foreign Relations*, 1950, vol. IV, pp. 367 ff.

[2] Renner, President of Austria since 1945, had died earlier that day.

Informed that west High Commissioners proposed to pay individual calls tomorrow to express condolences, General Tsinev requested that he be also notified of place and time.

DONNELLY

---

## No. 467

763.0221/1-251: Telegram

*The Secretary of State to the Embassy in France* [1]

SECRET PRIORITY NIACT

WASHINGTON, January 2, 1951—5 p.m.

3505. For Walter Dowling. [2] Instrs Deptel 1258 to Vienna Dec 29 [3] not to commit US in tripartite discussions occupation costs based on necessity maintaining tripartite unity and avoiding opportunity for new Sov pressures in any form. Dept believes future western position needs careful formulation. Aust Legation Dec 30 again requested US support of Aust notes to Brit and Fr.

US position firmly based on Lon agreement [4] to relieve Aust far as possible occ burdens. Ways and means of carrying out this agreement have not been worked out at govt level. Dept had anticipated definite steps wld have been taken in addition to appt HICOM. Most important consequence wld have been renunciation by Brit and Fr of occ costs on which point Aust repeatedly circularized Brit and Fr since Lon agreem.

Current discussions in Paris can be useful in ascertaining nature of problem including basic financial needs of Brit and Fr in Austria and shld serve as basis for further talks.

Dept considering desirability intergovernmental discussions of gen Aust situation as related to comprehensive plan for strengthening Eur defense and various ways of supporting Aust. Definite arrangement for such talks depends on conversations in Paris.

You are requested to participate these discussions, note nature problems and report fully. Your report and recommendations will be helpful in deciding what further action is required to initiate subsequent intergovernmental discussions to carry out principles of

---

[1] Drafted by Francis T. Williamson and Eleanor L. Dulles of the Office of Western European Affairs and cleared with Bonbright. Repeated to London and Vienna.

[2] Dowling, Deputy High Commissioner for Austria, was in Paris for a series of meetings with the British and French about occupation costs in Austria.

[3] Not printed.

[4] For documentation concerning the London agreement on occupation costs, see *Foreign Relations*, 1950, vol. III, pp. 828 ff.

Lon agreement on relief of Aust and any other steps which may be desirable in current Eur situation.

ACHESON

---

## No. 468

763.11/1-251 Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, January 2, 1951—8 p.m.

1338. Vice Chancellor Schaerf today appeared greatly concerned over constitutional situation resulting from President Renner's death. Government obliged under constitution to take immediate steps to fill presidential vacancy. Direct popular election would require passing of enabling law by Parliament, while election through National Assembly would require constitutional amendment and unanimous AC concurrence. Parliament might have to provide simultaneously for both eventualities.

Schaerf agreed with Chancellor Figl (Legtel 1329, January 1 [1]) that election by National Assembly would be preferable, reasoning that times were too critical for direct popular elections with concommitant feature of bitter fight between coalition parties and that new candidate, compared to Renner, would be third-rate and would suffer further loss of prestige by heated election campaign. His party had always favored election of president by National Assembly.

I asked Schaerf about likelihood of Soviet concurrence in constitutional amendment. Schaerf expressed hope this matter would be discussed by Western powers with Soviet in advance and I agreed to consult with Caccia when he returns to Vienna. Schaerf said Austrian constitution, in providing for direct presidential elections, was unique in Central Europe. Communist propaganda, he remarked, had lately emphasized theme that population must not be "robbed" of right to choose president directly. Complex procedural issues presented greater problems in his opinion than designation of successor to late president. Discussions between coalition parties would start after funeral.

DONNELLY

---

[1] Telegram 1329 described Figl's concern over designating a successor to Renner. Figl was of the opinion that the two political parties were presently inclined to propose a constitutional amendment which would enable the National Assembly to elect a new president. (763.11/1-151)

## No. 469

763.11/1-251: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, January 4, 1951—6 p.m.

1297. Legtel 1338 Jan 2. [2] Although popular election of new Pres presents greater difficulties than election by Parliament, Sovs have not in past interfered with elections. From viewpoint Figl and Schaerf chief objection to popular election wld appear to be difficulty of interparty deal on choice of Pres. Dept considers main consideration is early election by method not legally questionable at any time or subj current Sov opposition. If election depends on constitutional law Sovs can be expected to use AC veto power to delay, make trouble or exact concessions. They and Commies will certainly make propaganda of any attempt to circumvent constitutional provisions, claiming it shows undemocratic tendency, govt by secret deals. Suggest you inform Austs of our interest in assuring legality of Aust Govt is not open to challenge by Sovs or opposition parties. Dept believes Austs shld not be encouraged to attempt enactment constitutional law in absence clear indication Sovs will not oppose. Suggest for consideration that likelihood Sov opposition wld be greater if approach were made by West Powers than it wld be if Figl and Schaerf were to attempt ascertain Sov views by direct approach.

ACHESON

[1] Drafted by Benjamin D. Kimpel of the Office of Western European Affairs and cleared with Williamson.

[2] *Supra.*

## No. 470

763.0221/1-451: Telegram

*The Ambassador in France (Bruce) to the Secretary of State* [1]

SECRET PARIS, January 4, 1951—9 p.m.

3805. From Dowling. Although Soviet rejection of British proposal seems almost certain, and little progress has thus been made towards quadripartite solution of occupation costs, meeting yesterday was helpful in clarifying British and French attitudes on overall

[1] Repeated to Vienna and London.

question.[2] Basically British and French are concerned that expense of Austrian occupation should not fall upon their respective treasuries and any wish to lighten burden on Austria or reduce occupation revenues to Soviets is wholly subordinated to this factor.

In arguing against settlement of 1949 and 1950 costs British insisted Austrians would thus be spared further expense these years and Soviets denied any additional revenues. In discussion their proposal however they admitted their desire to maintain occupation costs in 1951 at approximately level agreed upon by AC for 1948 as well as continued provision of cash allocation to each element.

French, although less rigid, and preoccupied for present with necessity of obtaining their immediate requirement of some 25 million schillings were likewise unwilling to commit themselves to any substantial reduction in occupation costs.

Both British and French were however agreed that quadripartite settlement was essential for protection of Austria against pressures which Soviets could exert in any unilateral action, and British are willing to reexamine their position if their new proposal does not receive quadripartite approval and thereby satisfy immediate French needs.

On this basis it appears advisable to concur in British action to place their proposal before AC at January 12 meeting.[3] I would strongly recommend however that US not abandon its present resolution on 1949 costs which as Department is aware is still before AC, until Soviet reaction to British initiative becomes known. This would have advantage of maintaining quadripartite consideration of question while affording Department further period in which to determine how far it may wish to go in bringing pressure to bear on British and French to pay at least some substantial part of their occupation costs. It is now apparent that our double aim of lightening burden on Austria by means of progressive annual reductions of costs, and of proportionately reducing revenues available to Soviets in services and cash, can not be achieved without some sacrifice on part of British and French, and this in turn will require greatest persuasion from US. [Dowling.]

BRUCE

---

[2] A detailed account of the January 3 meeting of representatives of the United States, the United Kingdom, and France is in telegram 3802 from Paris, January 4. (763.0221/1-451)

[3] The verbatim text of the British proposal on occupation costs was transmitted in telegram 3836 from Paris, January 5. (763.0221/1-551)

## No. 471

763.11/1-951 Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, January 9, 1951—8 p.m.

1391. Gruber has informed me that coalition has tentatively decided that government should present to Parliament when it reconvenes Friday ordinary implementing bill for popular election of president in accordance with constitutional provisions. It is anticipated that some deputy previously critical of suggestion of parliamentary election will state that in view of international situation, expense, and other factors he and colleagues have reluctantly but patriotically changed mind and now propose constitutional amendment permitting indirect election. Two laws will then go before AC, and if Soviets veto constitutional amendment, it will at least not be able to charge government with neglect of constitution, and government will have gained some weeks time in preparation for popular election.

With regard to candidates, Gruber confirmed fact that Gleissner was currently Peoples Party choice. Socialists alleged to be critical of Gleissner on grounds that he was weak and threatened run their own candidate in first round, not joining in coalition-supported bipartisan candidate until ascertained that run-off necessary from failure any candidate obtain initial majority. Gruber hinted that if Socialists persist in this line, it may be necessary for Peoples Party to come to understanding with league independents in order assure majority for their candidate on first round.

Austrians have been informed of Department's interest in ensuring locals of opinion Austrian Government is not open to challenge by Soviets or opposition parties (Deptel 1297, January 4 [1]).

DONNELLY

[1] Document 469.

## No. 472

763.0221/1-551 Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, January 10, 1951—8 p.m.

1333. Dept has given further consideration to various points raised in previous cables including Paris' 3802 Jan 4, [2] 3805 Jan 4, [3] 3836 Jan 5. [4] Consideration has also been given to the relation of question of occupation costs in Austria and comparable US policy with respect Germany and Japan. For urinfo only, arrangements in Ger may in the next few months require pressure on UK and France to assume portion of occupation costs. With respect Jap, arrangements still secret being considered for partial pay-as-u-go with Jap meeting a portion which wld be similar to Aust civ occupation costs. Both polit and econ consequences these changes must be taken into acct in formulating policy for Austria.

Dept believes therefore that a decision on Jan 12 to return to cash allocations inconsistent with anticipated elimination occupation costs in various theatres wld discourage pro-West Austs, exert inflationary pressure, increase disunity among West Powers and unnecessarily aid Sovs. In view these considerations and Aust expectation lighter burdens as result of assurances May 1950, Dept considers cash allocation undesirable.

However, in order to satisfy immediate Fr schilling requirements and prevent possibility of future Sov claims you are authorized at ur discretion to support Brit proposal (Paris' 3836 Jan 5) under fol conditions:

1) That quadripartite agreement be reached on para one of proposal stating that occupation costs for 1949–1950 have already been settled.

2) That total occupation costs expenditures for 1951 including cash allocation not exceed 150 million schillings for each occupying power.

3) That cash allocation for 1951 not exceed 30 million schillings.

If Fr and Sovs reject this proposal and no agreement is reached present system of "civilian" occupation costs will presumably continue. Dept considers this procedure best solution which can be reached as long as Fr and Brit continue to require occupation costs

[1] Drafted by Kimpel and Dulles and cleared with Williamson, McCormick of GEA, and Hemmendinger of NA. Repeated to Paris and London.

[2] Not printed, but see footnote 2, Document 470.

[3] *Ibid.*

[4] Not printed, but see footnote 3, *ibid.*

unless agreement can be obtained on moderate sum proposed by Brit.

ACHESON

---

## No. 473

763.0221/1-1351: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, January 13, 1951—2 p.m.

1431. Following the Allied Council meeting of 12 January, [2] the High Commissioners convened to discuss occupation costs which commenced with introduction of the British proposal reported in Paris telegram 3836, January 5 to Department. [3] The Soviet HICOM, Sviridov, stated his displeasure with the British proposal unless its effect would be to balance off the amounts received by the occupying powers for the years 1949, 1950 and 1951 to an equal figure. For example, the Soviet and French elements should obtain for 1949 and 1950 the difference between the amount expended by the Austrian Government on their behalf and the amount spent on the British element, plus an equal split of 150 million per element for 1951. The Soviet member could not agree to write off the years 1949–1950. Sviridov placed great emphasis on maintaining the principle of equal split for the 3 years, although the British HICOM pointed to the absence of equality for the years 1945–48. Re the disproportionate amounts received by the Soviets in these earlier periods, the Soviet member stated that it had been accomplished by unanimous agreement of all elements. As discussion progressed, Sviridov leaned toward the French proposal below, suggesting equality for 1949–1950 to be achieved through a compensating deduction from the British amount for 1951. The concluding Soviet proposal visualized the achievement of equal shares over the 3 year period 1949–1951 by fixing varying amounts for each element in 1951 to achieve this. Therefore, he agreed to a decision covering all 3 years which would produce an equal balance for each element.

The French HICOM could not accept the British proposal because of its departure from the principle of quadripartite settlement and equal split. He stated his inability to abandon the com-

---

[1] Repeated to London, Paris, and Moscow.

[2] The minutes of the 138th meeting of the Allied Council on January 12 are in ALCO records, lot 62F9, box 114.

[3] Not printed, but see footnote 3, Document 470.

mitments already reached on the 1949 costs during April 1949 unless the amount for 1951 was sufficient to at least partially cover additional expenses incurred in 1949. He then circulated the following draft resolution:

The Allied Council decides:

(a) That sum charged Austrian Government for occupation costs for 1949 will be equal to 9 percent of the 1949 civil budget. The amount resulting from this percentage will be divided in equal shares between the 4 elements.

(b) To take note that the US element renounces its share; that the French element renounces of their share a sum of (blank) million schillings; that the Soviet element renounces of their share a sum of (blank) million schillings.

(c) To authorize, on other hand, the Austrian Government, after deduction of the amounts relinquished by each element on their shares, to charge upon the balance the amount of the sums paid in 1949 for civil expenditures amounting respectively to 96 million schillings for the British element.

(d) To consider that, taking into account the sums relinquished by certain elements, the actual expenses incumbent upon the Austrian Government for the occupation costs for the year 1949, amounts to (blank) million schillings, which represent (blank) percent of the Austrian civil budget for the year 1949.

At one point the French HICOM stated that he would be satisfied with 135 million schillings for 1951.

In regard to Soviet and French insistence upon equality, the British HICOM emphasized that the discussion concerned actual occupation costs and not a tribute levied upon the Austrian Government. He pointed out that the other elements had acknowledged exceptional Soviet expenses in the years 1945–1947, and requested a similar consideration for the British element in the years 1949–1950, returning once more to an equal split in the year 1951. He flatly declared that he had no proposals to make for 1949–1950.

The US chairman stressed that the US had given up occupation costs and retained the hope that the other powers would soon follow suit. In his opinion this should be the continuing aim of each element. He was prepared to give consideration to any proposals which would provide agreement on a quadripartite basis, lighten the burden on the Austrian Government, and reflect only documented occupation costs. He considered that both the French and British proposals merited serious consideration. After an inconclusive discussion, it was decided to instruct the deputy HICOMs to meet on 16 January to continue the talks.

Following are remarks of particular interest. Sviridov insisted that all Soviet expenditures could be accounted for by vouchers in the hands of Austrian authorities. At another point, the US

HICOM remarked that he could go much further towards meeting the proposals at hand if assurance existed of the conclusion of a treaty during 1951. Sviridov replied that there would be a treaty, but when questioned, was vague as to when it would occur. Most significant was the Soviet statement, perhaps a veiled threat, that the British principle of unequal and unlimited unilateral expenditures was very dangerous and could destroy the Austrian economy as well as the financial plans of the Austrian Government.

DONNELLY

---

## No. 474

763.0221/1-3051: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET PRIORITY VIENNA, January 30, 1951—8 p.m.

1611. Deptel 1451, January 25. [1] With view to overcoming US objections to high figure involved in joint arrangement (Legtel 1565, January 24 [2]), British and French now propose that AC allocations for 1949, 1950 and 1951 be fixed at actual French requirements, with private understanding between Austria and western powers that former will not require British to repay that portion of their civilian costs for 1949 and 1950 in excess of AC allocations. On this basis, British and French propose AC allocations of 140 million schillings for 1949, 135 for 1950 and 120 for 1951.

Austrian Government has not yet been approached re this new plan, but its acceptance is regarded as assured, since Finance Ministry officials themselves suggested some such solution informally some time ago, at same time pointing out Austrian Government could undertake such arrangement only under cover and protection of quadripartite decision on occupation costs. Although Finance Ministry officials were purposely vague, it was implied that British excess costs could be charged against a tenuous "British credit" for CEM.

As will be seen, new scheme would give French about 45 million schillings in cash for 1949 and 1950, after deduction of civilian costs from proposed AC allocations. Soviets would similarly receive

---

[1] Telegram 1451 concurred with Donnelly's recommendation contained in telegram 1565 from Vienna, January 24, that the British-French compromise not be supported on the basis that any cash allocation for 1949 and 1950 was unjustifiable. (763.0221/1-2451)

[2] Telegram 1565 described the British-French compromise which was 149 million schillings per element for 1949, 145 for 1950, and 135 for 1951. (763.0221/1-2451)

about 112 million schillings in cash for 2 year period. We regard these figures as too high for both elements, but at same time recognize great advantage for Austrian economy which would result from reduction of occupation costs for 1951 to no more than 120 million schillings per element.

On balance, therefore, and having particularly in mind Austrian anxiety that AC establish low figure for 1951, we are prepared to accept new British-French proposal, provided AC allocations can be brought down to something like 130 million schillings for 1949, 127.5 for 1950, and 120 for 1951. We believe we can persuade British and French to accept these lower figures, and recommend strongly that Department approve proposal with understanding we shall endeavor, in discussions with British and French, as well as in subsequent quadripartite negotiations, to reduce allocations even further if at all possible.

Re points raised in Deptel 1451, January 25, we feel we must recognize that cash allocations for 1949 and 1950 will be necessary, as in previous years, if we are to have quadripartite agreement, since both French and Soviets insist on this point, and British also desire cash allocation for 1951. Austrian Government strongly desires protection of quadripartite agreement, and three western elements here share Austrian Government's estimate of importance of this protection. As we see it, therefore, our aim should be to hold cash allocations for 1949 and 1950 to minimum essential for agreement, while at same time bringing about progressive, substantial reduction in occupation costs. If, for instance, we could obtain quadripartite agreement which would give Soviets no more than some 100 million schillings in cash for 1949 and 1950, while bringing about reduction in total costs in 1951 to 120 million schillings per element, we should regard it as major step towards achievement of Department's ultimate objective of eliminating occupation costs entirely.

DONNELLY

## No. 475

763.0221/1-3051 Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, February 2, 1951—8 p.m.

1512. Legtel 1611 Jan 30. [2] Dept will approve Brit/Fr plan occupation costs as basis negots with Sovs in AC if responsible Aust officials believe hope of relieving Aust danger of unilateral demands for cash allocation or future Sov bills for civ costs justifies contemplated large expenditure.

Dept has assumed Aust cld, with US support, resist unilateral demands even in absence agreement on allocation and that whole question future presentation bills too problematical to justify additional present burden on budget. However, Austs with considerable experience in these matters and knowledge of their financial situation may believe these assumptions not correct.

Dept understands Brit/Fr proposal wld mean cash payments for 1949 and 1950, above civ occupation costs reported to have been paid already, of approximately 114 million schillings to Sovs, 64 million to Fr, with no additional to Brit. If allocations were reduced to 130 million for 1949 and 127.5 million for 1950, comparable additional charge on Austs wld be approximately 96.5 million for Sovs, 46.5 for Fr. If these estimates correct, difference for 1949 and 1950 under Brit/Fr plan wld be either approximately 143 or 178 million schillings additional requirement. This figure wld be reduced however, if, as first suggested, Fr take only amt of cash urgently needed. If civ costs for 1951 ltd to 120 with 25 million maximum payable in cash, plan wld not materially change amts Austria wld pay for 1951, since allocation by Austs for Fr/Sov in 1951 in excess Fr/Sov civ costs wld be offset by saving resulting from Brit assuming portion of their occupation costs. Another possible offsetting factor is probability that Sovs wld increase their civ costs in 1951 in light of tendency shown in second-half of 1950.

If you agree with this analysis suggest you present question to top Aust officials, including Figl, Schaerf and Margaretha, in this way, offering to be guided by their views and either (a) to attempt to block further cash allocations and support Aust resistance to unilateral demands or (b) to negotiate with other three powers to secure an agreement with lowest possible cash figure and highest degree of assurance against back bills or additional demands. Im-

---

[1] Drafted by Dulles and Kimpel and cleared with Williamson and Bonbright. Repeated to London and Paris.

[2] *Supra.*

portant that Austs recognize our efforts in negotiating this matter have been guided by their desires.

ACHESON

---

## No. 476

763.00(1/1-251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, February 2, 1951—8 p.m.

1643. I called on Figl and Schaerf today to obtain their views on current conditions in Austria. I found Vice Chancellor Schaerf in very serious frame of mind, and greatly concerned over possibility new Communist disorders in late February-early March and in May on occasion of Communist Youth Congress.

Indication of trouble in February seen in continuous training of Communist strongarm squads in the Soviet Zone for forcible seizure of industrial installations and public utilities, and Communist inspired demand for 20 percent wage boost which is presently gaining ground. Communists would use unemployment, high cost of living and shortage raw materials as other propaganda devices to stir up agitation for disorder and anti-US sentiment. Disorders according to Schaerf would start simultaneously in Vienna, Linz and in other industrial areas in the provinces, with similar means employed as during October uprisings. [1] Danger seen greater, however, owing to high unemployment which might prevent effective control of workers by Socialist Party. Full employment would insure firm Socialist grip on 70 percent of labor force, thus reducing eventual uprising to scale where it could easily be coped with. Schaerf therefore recommended speedy release of substantial amount of counterpart funds to combat unemployment and requested waiver of condition that detailed 1951 program must be submitted prior to releases. Complaining about slowness of Austrian ERP Bureau in developing program, Schaerf thought pressure should be applied there. Called early counterpart releases only significant contribution we could make toward moral support of Austrian people.

Schaerf's Communist drive for wage boosts aided by weak attitude certain provincial governors. Thus, Governor of Vorarlberg recently granted 10 percent wage boost to provincial employees.

---

[1] For documentation concerning the disturbances in Austria during September and October of 1950, see *Foreign Relations*, 1950, vol. IV, pp. 404 ff.

Schaerf indicated this action might force federal government to grant like increase in salaries to federal employees which would cost government 600,000,000 schillings.

To my question as to ultimate purpose of Communist uprising Schaerf replied intention was to overthrow Austrian Government.

Chancellor Figl, although admitting likelihood of Communist inspired riots in February or March, took more sanguine view. Referring to recent establishment of four special riot squads of company size within Vienna police, and noting improvement of police weapons owing to recent US issues, Figl considered security force is capable of controlling situation. He agreed, however, that reduction of unemployment was essential to minimize effect of Communist inspired disturbances. He said government was fully aware of problem and that it would act next week.

I suggested to Figl and Schaerf that there has been a lot of loose talking and planning about this problem and that it seemed to me that what is now needed is positive action. They agreed and said the government would move fast from now on. [2]

DONNELLY

[2] In telegram 1832 from Vienna, February 23, Donnelly informed the Department that the Austrian Government's fear of serious Communist disorders was greatly reduced because of increased employment and the government's new policy which permitted bargaining for higher wages on an individual factory level rather than a national level. (763.001/2-2351)

## No. 477

763.00/2-251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

CONFIDENTIAL VIENNA, February 2, 1951—10 p.m.

1648. Although no objection was raised in the Legal Directorate at today's Executive Committee Meeting [1] the Soviet Deputy Commissioner made the following statement regarding the Presidential election law and the accompanying legislative declaration establishing its date as 20 May:

"The Soviet element considers that the reference to the constitution of 1929, the text of the presidential election law adopted by the Austrian Government, has no legal basis, since the constitution of Austria of 1929 was not recognized by the Allied agencies and has

[1] The official minutes of the 180th meeting of the Executive Committee of the Allied Commission for Austria are in ALCO records, lot 62F9, box 116.

no legal force. The Austrian Government, in spite of the decision of the Allied Council of 25 March 1946, up to the present moment has not submitted a new text of the Austrian constitution based on democratic principles for the consideration of the Allied agencies . . . [2] the election of the president, similar to the election of 1945, also finds its justification in the practice which previously existed in Austria. Therefore, the Soviet element deems it necessary to return the election law to the Austrian Government for replacement by a special constitutional law."

In reply to the US Deputy Commissioner's question, the Soviet representative declared that he attached the greatest importance to the election of a federal president as was demonstrated by insistance on establishing a legal and constitutional basis for the election. The president was more than a Party representative—he was the head of the state. Since the Soviet element considered that no Austrian constitution existed, it would be necessary to enact a special constitutional election law. He contended that the AC had rejected the 1929 constitution because it "led to the victory of fascism in Austria."

The US Deputy Commissioner, supported by the British and French, affirmed his support of the laws under consideration as well as the validity of the existing constitution. He described the Soviet attitude as an unwarranted attempt to interfere in the democratic processes of the Austrian Government. He pointed to the absence of logic in the Soviet contention that Austria was without a constitution inasmuch as the Soviets had often participated in the approval of laws modifying the 1929 constitution. He cited the AC decision of 27 May 1949, affirming past decisions, as proof of the integrity of the 1945 approval of the present constitution. In conclusion, he stated that by persistence their attitude the Soviet element threatened both the structure of the AC and the Austrian Government. Consequently, he found it necessary to submit the matter to the AC.

The 1929 constitution (an amended version of the 1920 constitution) was approved by the AC on 30 November 1945, after having been placed in effect by the Soviets following their entry into Austria in April 1945, but on 30 March 1946, the AC instructed the Austrian Government to submit a new draft by 1 July 1946. Realizing the practically insurmountable task of writing a constitution acceptable to all four occupying powers, as well as to themselves, the Austrian Government has never complied with this decision. Nevertheless, contrary to the Soviet remarks, this deficiency does not detract from the validity of the 1929 constitution.

---

[2] Ellipsis in the source text.

The purpose of the Soviet rejection of the election law remains obscure, since it becomes effective on 17 February under the 31-day rule, but the intent may simply be to cast a shadow of doubt over the election results for future purposes.

It is interesting to note that, while the Soviets have long held the Austrian Government delinquent in submission of a new constitution, this is the first time they have condemned the 1929 version as "having no legal basis" and "without recognition by the Soviet element". Needless to state, adoption of the Soviet proposal would result in a law subject to their veto.

DONNELLY

---

## No. 478

863.131/2-1451: Telegram

*The United States High Commissioner for Austria (Donnelly) to the United States Special Representative in Europe Under the Foreign Assistance Act of 1948 (Katz), at Paris* [1]

SECRET VIENNA, February 14, 1951—7 p.m.

207. Figl called me to his office this morning to discuss very important matter. When I got there I found Figl, Schaerf, Gruber and Margaretha. Figl said he had just received a copy of a circular letter sent today by Obersterechnungshof (supreme accounting office) to six banks in Vienna. The letter, copy of which is being forwarded by airmail, requested detailed information about foreign exchange dollar and nondollar transactions from 1945 to 1950, names of all stockholders and other classified information. Figl said that contents of letter had been suggested by Johnson of ECA-Washington who has made frequent visits to Vienna in recent months in connection with the proposed investigation of dollar foreign exchange transactions. Thibodeaux received visit earlier today from the representative of Austrian Government National Bank who manifested great concern over the letter and indicated that if it became known to public it might result in a run on the banks. He further indicated that letter certain to become public and widely advertised in Communist press because of inevitable information leaks in banks. Neither USCOA nor ECA had prior knowledge of the letter or of any plan to send out such an inquiry.

Figl and his colleagues said that if letter became public and if it became known that Austrian Government at the suggestion of US

[1] Repeated to the Department of State as telegram 1760, which is the source text.

Government had employed an American accounting firm to conduct the investigation it would prove most embarrassing to the government, would impair financial stability of the banks and might result in a run on some of them. He added it would take months to complete investigation called for in letter. He said further that Communists would take full advantage of the development to further embarrass the Government and that it would aggravate the situation which is already complicated by unemployment, high cost of living, shortage of raw materials and impending presidential elections. Figl and his colleagues were very careful to point out that they are in complete accord with objectives of the investigation but that they felt that the methods should be modified.

Figl said the government would today recall all copies of circular letter and I told him I perceived no objection to this procedure. They said they would try to prevent letter from being published but expressed some fear that letter may already have fallen into hands of Communists and Soviets.

In view of this development I suggest that OSR postpone the arrival of the accounting firm in Vienna and that OSR send Ward and Johnson to Vienna to discuss matter with High Commissioner and ECA. Thibodeaux concurs.

DONNELLY

---

## No. 479

763.0221/2-2151: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, February 21, 1951—6 p.m.

1813. High Commissioners agreed today on occupation costs as follows: 137 million schillings per element for 1949; 125 million for 1950; and 140 million for 1951. Escalator clause (Deptel 1639 February 20 [2]) was dropped, although British and French insisted on pointing out for record that any element naturally had right under AC procedures to raise issue at any future time should they so desire. Agreement also reached on limitation that of occupation costs for 1951, not more than 40 million schillings per element could be drawn in cash, although Soviets argued strenuously against any such restriction.

---

[1] Repeated to Paris and London.
[2] Not printed.

Agreement provides that balance of 1949 and 1950 allocations, after deduction of disbursements already made by Austrian Government, as well as cash for 1951, shall be drawn in equal quarterly installments during current year.

Text of AC resolution being airmailed. [3]

DONNELLY

[3] The minutes of the 141st meeting of the Allied Council and the text of the resolution on occupation costs under reference are in ALCO records, lot 62F9, box 114.

## No. 480

863.501/3-2051: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, March 20, 1951—7 p.m.

2072. In view of Communist penetration of police force as shown by recent votes and the inaction of the govt in prosecuting the 4 police chiefs I again today reminded Figl and Gruber that we take a very serious view of the situation and hope that the Austrian Govt will do something about it very soon. [1] I showed them a telegram ostensibly from the Dept which I drafted here instructing me to inquire into all cases and express the Dept's alarm over strength of Communists in the police force.

Figl and Gruber took a serious view of my remarks and said that the govt would do something about all cases without further delay. Figl said he would dismiss the disciplinary commission appointed to try the 4 police chiefs and appoint a new commission with instructions to get rid of them. As regards Communist penetration of the police force Figl said the govt is preparing plans for transfer of Communist policemen to nonsensitive positions in the general civil service and with the ultimate end of removing them from the police force. He said that he was just as surprised as we were over the results of the elections but that it may have been a good thing because it destroyed illusions that the police force was 100 per cent non-Communist. As an example of how far the Communist police

[1] During elections among Austrian policemen for positions in the Civil Service Trade Union, the vote for Communist candidates was surprisingly large enabling them to secure 3 out of 24 seats on various local directorates. (Telegrams 1984 and 1999 from Vienna, March 13, 863.501/3-1351) In another incident dating back to the disturbances of October 1950, four district police officials were under indictment for their participation in these Communist-inspired protests. (Memorandum of February 2, Vienna Post files, lot 55 F 125, 350—Conversations, 1951)

have succeeded in obtaining key positions in the govt he said that a Communist Major who had been chief of personnel of the uniformed police had been assigned temporarily to command the police in the Federal Chancellory but Figl had him removed once he confirmed his Communist affiliations.

I shall continue to remind the Austrian Govt of the importance we attach to the elimination of Communist influence from the police force.

DONNELLY

---

## No. 481

863.501/3-2351. Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, March 23, 1951—8 p.m.

2113. I had a long conversation yesterday with Helmer about the police situation and received assurances from him that the govt wld take immed steps to begin removing Commie activists from police force. He promised to transfer Communist chief of criminal section of police station near Leg Building. He said initial step in general shake up of affected sections of police wld be the discharge of 400 members of Vienna administrative police, 60 per cent of whom are Communists. He indicated govt wld proceed with other plans for minimizing Communist influence in police, said they wld have to go slowly because of Sov opposition and absence of legislation enabling govt to discharge police officers on grounds pro-Communist sentiments. As regards Graz, which is second to Vienna in Communist infiltration Helmer said he has sent a police officer in whom he has the highest confidence with instructions to eliminate those responsible for Communist success there.

Helmer told me Sov Army officers had requested appointment with him on Mar 23 and I arranged with him for one of our officers to see Helmer following the meeting. Eight Sov officers, headed by General Boreyko, Sov rep on VIAC, called on Helmer this morning. According to Helmer's account of the meeting the Sovs demanded in a dictatorial manner that the three persons arrested for distribution of anti-Sov leaflets and who are now held in the Amer sector be tried in first district and that reports of investigation be made available to all four elements. Helmer replied that Americans insisted on keeping them under their jurisdiction and pointed out to Sovs that Americans in this respect were taking same action

as Sovs had in similar cases. We shall take steps to remove them from Vienna as soon as feasible and meantime they will be held in custody in American sector. This decision was reached today at meeting with General Fitts and others.

The second point raised by Sovs according to Helmer was the demand for the immed evacuation of the *gendarmérie* school at Moedling in the Sov Zone located in the vicinity of Sov Army barracks. An ordinary school in the same vicinity was also ordered to be evacuated. The Sovs authorized transfer of the *gendarmérie* school from Moedling to Horn in the northern lower Aust. Min Helmer did not know what was behind this Sov demand but seemed considerably disturbed by it. He indicated that he wld comply with their orders.

Helmer remarked to me yesterday that he is disturbed about the possibility of Sovs organizing an East Aust police force. I asked him if he had any evidence of this and he said that there were several minor indications. The Sovs, for instance, had demanded that the motor pool for police in the Sov sector be kept there rather than in the central pool. Further indication was insistence of Sovs on removal of loyal police officers in their sectors and replacements by Commie sympathizers. Lastly, Helmer thought Sovs might try to remove police in their sectors who voted coalition ticket.

It is to be expected that Sovs will offer strong resistance to any measure taken by the Aust Govt to reduce the number of Commies on police force and this may shortly result in a tightening of the general situation here.

DONNELLY

---

## No. 482

863.00R/3-2951: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET PRIORITY VIENNA, March 29, 1951—6 p.m.

2157. 1. I strongly recommend the Dept's endorsement of the level of economic aid of approx $185 million proposed for Austria for 1951/52 in Vienna Toeca 209 rptd Torep 238, [2] which was prepared jointly by this office and ECA mission.

---

[1] Repeated to Paris.

[2] Telegram Toeca 209 informed ECA/W of the Mission's proposal that about $185 million in aid be extended to Austria and that all aid be on a grant basis. (ECA message files, FRC 53A278, Vienna)

2. On the basis of the present and prospective situation as reflected in various despatches to the Dept, I believe that any large reduction in aid for 1951/52 as suggested in Ecato Vienna 131 of Mar 22 [3] would mean a diminution in production and a serious aggravation of an already overly large unemployment problem. This in conjunction with critical raw material situation and rising prices would inevitably lead to unrest constituting fertile grounds for Soviet inspired Communist exploitation.

In my judgment, the importance of maintaining population's will to resist Sov pressure, the psychological burden of which has multiplied greatly after elapse of six years, strongly counsels against drastic reduction in aid to level which could impair present political and social stability and solid economic progress that Aust has already achieved with US assistance and despite Sov obstruction. Such a result would be welcomed by Sovs, but would create additional problems for the coalition govt which could exceed capacity of the two parties to solve. [4]

DONNELLY

[3] Telegram Ecato 131 informed the ECA Mission of ECA/W's proposal of $93.8 million in direct ECA aid to Austria. (ECA message files, FRC 53A278, Vienna)

[4] In telegram Ecato 168 to Vienna, April 7, the ECA Mission in Austria was informed that there was a difference in views as to the level of aid which Austria required to support its increased level of production and to reduce its unemployment. Whereas the ECA Mission recommended $185 million, ECA/W was prepared to use the figure of $145 million in its presentation before the Bureau of the Budget committee. (ECA message files, FRC 53A278, Vienna) In telegram Repto 1629 from Paris, April 11, the Special Representative in Europe for the ECA expressed his agreement with the decision to use $145 million as the basis for its presentation rather than $185 million. (ECA message files, FRC 53A278, Paris)

## No. 483

863.501/3-2251: Airgram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, April 4, 1951.

A-492. The Dept has considered your despatch No. 953 of March 16 [2] and your recent telegrams including Legtel 2090 of March 22, [3] and agrees that reorganization of the Federal police in Vienna is a

[1] Drafted by Peter Rutter of the Office of Western European Affairs and cleared with Williamson and with SY and GPA. Repeated to Rome.

[2] Not printed.

[3] Telegram 2090 contained a recommendation by Donnelly that two skilled police officials from some German-speaking city in the United States be temporarily assigned to his staff to provide advice regarding the reorganization of the Austrian police. (863.501/3-2251)

problem of urgent importance. In light of delicate Soviet relationships involved, however, Dept inquires whether assignment to USCOA of police officers from U.S. is the most feasible solution. Your reports indicate that the problem centers on factors such as Soviet recalcitrance, the weakness of the coalition, civil service regulations, intrusion of trade union politics and unattractiveness of a career in the police rather than on technical equipment and methods where American experience would apply. An overly conscientious officer might easily provoke undesirable Soviet reaction and irk Austrians. Also there would be delay in assigning such an officer.

Dept suggests that German and Italian experiences may provide information of considerable value. Italy was faced with a somewhat similar problem and, according to reports from the Embassy at Rome, has been quite successful in eliminating Communist influence in the police. You may wish to consider sending an informal request to the Embassy at Rome requesting comprehensive information concerning the Italian program. It is further suggested that an approach to HICOG with a view to obtaining the benefit of their experience may be of value. It is understood that Mr. Theodore Hall, Deputy Director of Administration, and Mr. James McCraw, Chief of the Public Safety Division, both of HICOG, are thoroughly familiar with the German phases of the problem, and it is possible that arrangements could be made with HICOG for the temporary detail to Vienna of one of the persons named.

Dept has informally requested FBI to comment on immediate availability of appropriate officer. Dept would appreciate receiving, in meantime, your comments as to advisability assigning FBI agent to accomplish work you have in mind. More precise information concerning the nature of work you anticipate the officer will perform would be helpful in this connection. Detailed information concerning British activities in this respect as well as recent figures on numbers, rank and assignment of Communist police officers known to Helmer and Krechler are requested. Brotman might report on civil service and trade union factors impeding police reorganization.

The Dept agrees on the advisability of maintaining pressure on Figl and Helmer re action against four police chiefs and eight Criminal Police officers. The Legation is requested to explore further ways and means of enhancing police morale, including possible need for additional funds in police budget.

Please keep Dept currently informed of developments including actions taken by the Austrian Government to remove Communist influence and personnel from the security forces.

ACHESON

## No. 484

*Editorial Note*

When Emmanuel Shinwell, British Minister of Defense, made a statement in January 1951 that all British troops on the European continent would be put at the disposition of General Eisenhower's command, Major General G. K. Tsinyev, Soviet Deputy High Commissioner for Austria, asked the French Legation if its forces in Austria were also included under Eisenhower's command. (Telegram 1517 from Vienna, January 19, 740.5/1-1951) This inquiry by the Soviets initiated a series of meetings to determine the precise relationship between the forces of the Western Powers in Austria and the NATO command structure. Donnelly traveled to Paris on April 22 in order to discuss this problem with General Eisenhower. Further documentation on this question is in files 740.5 and 763.0221 and CFM files, lot M-88, box 73, Occupation Forces.

---

## No. 485

CFM files, lot M-88, box 72, bound volume—Austria, 1951

*Memorandum of Conversation, by the United States High Commissioner for Austria (Donnelly)* [1]

TOP SECRET [PARIS,] April 23, 1951.

Participants: General Eisenhower
Ambassador Donnelly
General Gruenther
Mr. Douglas MacArthur

Subject: Austrian Situation and NATO Plans

General Eisenhower inquired at the outset about our relations with the Soviets in Austria.

I explained how we operated and the type of relationship this gave rise to, at different levels, quadripartite, political, and security. I stated my impression that the Soviets followed their own interests with singular persistency, which did not, however, exclude a deliberate change of attitude from time to time. When such changes would take place, how long they would last, and what the Soviets hoped to accomplish by them, were generally unpredictable. At present, for example, there coincided fairly congenial relations at the quadripartite level and even some picking up of social con-

[1] A copy of this memorandum was transmitted to the Department as an enclosure to a letter from Donnelly to Perkins, April 24.

tacts, with a rash of kidnapping and an increasingly oppressive attitude toward the Austrian administration, especially the police. I explained the origin of our relations; the ineradicable marks left by the six months of Soviet occupation from April to September 1945 before the Western Powers were admitted to Vienna; but how, in my view, their initial advantages had turned out to be disadvantages, from the familiarity, hatred, and contempt that had been inspired in the Austrians. The evidence of this was convincingly supplied by the elections in 1945 and 1949, and would be confirmed again in the presidential elections next month.

I explained the present situation with regard to the police; the Ministry of Interior's efforts to take one further step in cleaning out Communist employers dating back to the Soviet period; and the Soviet pressure brought to protect the individuals concerned by intimidation and ignoring the directives of the Austrian authorities.

In reply to further questions about the Soviets, I stated my belief that there was no additional positive evidence of Soviet preparations for war, or of partition, for that matter. It was reported that spring training had begun a little earlier than usual, and on a slightly larger scale, but nothing yet exceeding what had occurred in the past.

On the internal Austrian situation, I stressed the importance of the coalition government, which was unequivocally pro-Western and prepared to cooperate in resistance efforts, the planning and preparation for which had been covertly undertaken. I reviewed the principal points of our quadripartite policy, and the good understanding which existed among the three Western elements in regard to occupation matters, maintaining Austrian unity, and the treaty. I stated my opinion that, apart from the discussions taking place in Paris on the CFM agenda,[2] we did not seem to be any closer to a treaty today than we were in 1947.

General Gruenther asked why Foreign Minister Gruber was going to London and whether he was still so anxious to obtain a treaty that he would make concessions to the Soviets.

I replied that no special importance should be attached to Gruber's trip; he was going in order to make the acquaintance of the new British Foreign Minister, and would probably discuss such matters as Austrian debts, and doubtless general tactics about the treaty and dealing with the Soviets. Officially he was making the visit in order to deliver a speech before the British Institute for International Affairs, and he would also visit the naval base at Portsmouth. I stated my opinion that Gruber was now rather firmer than he used to be about the treaty, and could be relied

[2] See Document 534.

upon not to make concessions to the Soviets for the purpose of obtaining agreement. My own view indeed was that probably too many concessions had already been made, and I should be inclined, if the Soviets tried to open up a single one of the agreed articles, to state that we would open up the whole treaty and go back over all the articles.

General Eisenhower and General Gruenther appeared to share this view.

I stated that in the light of this background, it was perhaps apparent why Austria could not come directly under the NATO organization or undertake armament production. The Austrian Government was, however, covertly proceeding with plans for the creation of resistance forces and eventually an army of 56,000 if this should be made possible by the conclusion of a treaty. I described the steps that had already been taken; planning committees were functioning in Vienna and Salzburg, in as much secrecy as possible, with nothing committed to paper. A force of 5,000 gendarmes was being recruited as a cadre for the Austrian forces. I described the progress with Jaeger groups in the British Zone and the Alpine groups in the French Zone, which could be employed for resistance purposes. I said that the British High Commissioner had told me that some 7,000 men would be available in the British Zone on D-Day, but that the total manpower, within the proper age-groups, which could be drawn upon in the British Zone was as high as 180,000, to which should be added corresponding figures for our Zone and the French Zone. These figures were of course merely a potential, whose utilization would depend upon supplying them with arms and equipment and carrying out resistance within Austria. But Foreign Minister Gruber stressed the fact that there was a maximum potential of 20 divisions from this source. General Eisenhower expressed his surprise and gratification at this news.

I regretted that Sir Harold Caccia, the British High Commissioner, was not present to describe the developments in his Zone in detail. [3] I informed General Eisenhower that Sir Harold had accompanied me to Paris, and had expressed his regret that he was unable to be present for this conference, but he had received instructions from his Government which precluded a visit at the present time. General Eisenhower said that he perfectly understood this.

---

[3] In telegram 2415 from Vienna, April 21, Donnelly informed the Department that the British Foreign Office had instructed Sir Caccia not to participate in talks with General Eisenhower for fear that this might be misinterpreted by the Soviets. (740.5/4-2151)

I touched upon the military arrangements being undertaken with Italy, which General Irwin was handling, and the general economic situation in Austria. I mentioned the coal problem, and that of East-West trade, and stated my own opinion that Austria could never attain relative economic self-sufficiency as long as the barriers toward the East prevented the resumption of this commerce.

General Eisenhower and General Gruenther inquired about the relationships which obtained between the civilian High Commissioners and the military. I stressed the very close cooperation which existed in our own case, and in the British, as I believed. I stated that we took very great interest in the work of General Irwin and General West, which we maintained by frequent personal contact, Sir Harold by trips to the Zone, and I by associating General Irwin with me in the Allied Council work and meetings. General Eisenhower expressed his high regard for General Irwin's and General West's abilities.

General Gruenther had received certain reports of difficulties between the French High Commissioner and French military element. I stated that they did not appear to be as close, or to have ironed out the civilian takeover problems as much as we and the British. I did not, however, regard it with especial concern, since it appeared to me entirely a family affair of the French, which was not permitted to materially affect their relations with us and the British. Certain problems occasionally arose, for example, that of the Soviet Repatriation Missions. We were very anxious to get these missions out of our Zone and the Tirol, a view shared by Sir Harold, by Ambassador Payart and General Bertrand. In the case of the British, however, instructions had been received from London to do nothing about this—"to drop no pebble in the pond"—pending the CFM discussions. In the case of the French, it appeared that M. Schuman was reluctant to raise this issue with the Soviets at the present time. I explained how these Soviet missions operated and their apparent freedom in the French Zone, and our plan to authorize them, after the CFM, only on an individual-trip basis, provided reciprocity was granted for our Graves Registration Mission. General Eisenhower concurred in the desirability of getting rid of these Soviet missions.

In closing, I again referred to the impossibility of Austria's coming directly under NATO, but of our active efforts to see that developments there were along the lines General Eisenhower would wish, which was, as I recalled, the sense of the Department's telegram No. 8808 [*2199*] of April 20th. [4] General Gruenther said

---

[4] Telegram 2199 informed the Legation in Austria of the Department's position that it was not desirable at the present time to place occupation troops in Austria

*Continued*

that they had seen a copy of the telegram, and were in entire agreement. General Eisenhower said that it was less important that he should have the forces in Austria under NATO now, in view of the special situation that obtained there, than that he should have them and when and if he needed them.

I asked whether I was at liberty to report our conversation to the British High Commissioner, who had accompanied me to Paris. General Eisenhower replied that I should feel entirely free to do so.

---

under NATO command. Such a move could possibly provide an opening for the Soviets to charge a violation of the Control Agreement and encourage them to disrupt the existing Four-Power machinery which it was U.S. policy to support. (740.5/4-2051)

---

## No. 486

740.5/4-2351: Telegram

*The Secretary of State to the Legation in Austria* [1]

TOP SECRET WASHINGTON, April 25, 1951.

2241. Dept pleased understanding reached with Gen Eisenhower (Paris 6434 April 23 to Perkins from Donnelly [2]) on basis views expressed Deptel 5594 April 20 to Paris. [3]

US Representative to Standing Group, North Atlantic Mil Comite has been authorized by Sec Def to inform Standing Group that US forces Austria and Trieste will be assigned to Supreme Allied Commander, Europe (SACEUR) at outbreak of war. The appropriate commanders will plan for this contingency as directed by SACEUR.

It is understood that Brit and Fr have taken similar position with respect to Austria and that Brit position is same with respect to Trieste. There are no Fr troops in Trieste.

Paris and London requested seek Brit and Fr agreement that any inquiries this subject from non-NATO sources should be an-

---

[1] Drafted by Edgar P. Allen of the Office of Western European Affairs and approved by Perkins; repeated to London for Spofford, Paris, Rome, and USPolAd in Trieste.

[2] Telegram 6434 briefly noted that an understanding had been reached with Eisenhower on the relationship of U.S. Forces in Austria to SACEUR. (740.5/4-2351)

[3] Not printed.

swered to effect that no US, UK or Fr forces in Austria or Trieste are assigned to SACEUR. [4]

ACHESON

[4] On May 7, Perkins informed Gen. James H. Burns, Assistant to the Secretary of Defense, that the British and French concurred in this request. (Letter of May 7, CFM files, lot M-88, box 73, Occupation Forces)

## No. 487

863.00/5-1151

*Memorandum by the Deputy Director of the Office of Western European Affairs (Williamson) to Robert E. Asher of the Office of European Regional Affairs* [1]

CONFIDENTIAL [WASHINGTON,] May 11, 1951.

Subject: Raw Material Shortages in Austria.

Attached for your information is a copy of an *aide-mémoire* handed to the Department on May 3, 1951, by Dr. Goertz, Austrian ERP Mission. [2] This *aide-mémoire*, which you will remember, was requested by me on the occasion of the visit in my office of Dr. Mautner-Markhof, describes in detail the critical shortages of some 15 basic raw materials which currently exist in Austria. A copy of the statistical material in this *aide-mémoire* has also been given to Mr. Craig of the Economic Cooperation Administration.

While we are well aware of the limited influence which the Department has in securing priority assistance for foreign governments, because of the serious economic situation which we anticipate may develop in Austria this summer as a result of the lack of these raw materials, we wish to be certain that the exceptional situation in Austria is known to the proper allocating authorities, and that the Department has taken all possible steps to bring it to their attention.

We are particularly disturbed at the increasing pressures which are being placed upon Austria by the Soviets, pressures of both an economic and political nature which have been mounting in recent weeks, and are fearful that these pressures, combined with rising unemployment could seriously threaten political stability. Unemployment in Austria today is declining due to seasonal factors, and the trend is favorable; the level in April was 1.2% below that of

[1] Drafted by H.P. Dawson, Jr., of the Office of Western European Affairs.

[2] This 16-page *aide-mémoire*, prepared by the Austrian Legation, focused particularly on the critical shortages of copper, zinc, molybdenum, phenol and urea, and electrical sheets. (863.00/5-1151)

the comparable month of last year. However, failure to receive reasonable amounts of these raw materials at regular intervals could reverse this trend and result in widespread plant shutdowns and a major unemployment problem. We must assume that the communists would take every advantage of such a situation.

WE views the economic prospects in Austria over the next few months as critical, and capable of rapid deterioration. If our evaluation is correct, a delay of a month or two in delivery of these commodities would adversely affect the economic situation, for the flow of these commodities to Austria has almost stopped. To be effective, assistance is needed almost immediately.

In view of the above, we would appreciate your opinions as to how, and in what measure, assistance may be provided for Austria, and through what channels action to obtain this assistance should be made in order that an appropriate answer may be made to the Austrian Legation.

---

## No. 488

763.00/5-1551: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, May 15, 1951—8 p.m.

2672. Legtel 2671 May 15, [1] Prestel 2670 May 15. [2] Communist endorsement Socialist presidential candidate Koerner is political development of much potential mischief. I emphasized to Figl last week importance we attach to continuation coalition and received assurances no question of any change. I believe leaders of both parties desire maintenance of coalition, and will take no direct action to break it up. On other hand, considerable discontent is evident from time to time on both sides among lower levels. Enthusiasm with which second echelon of People's Party leadership has seized upon Communist endorsement as evidence of "Socialist kinship" to Communists stems as much from failure understand fundamental necessity for coalition as from appreciation partisan advantage it gives Gleissner in current campaign.

---

[1] Telegram 2671 contained Donnelly's analysis that the Austrian Communist Party's decision was based on a desire to undermine the coalition government, embarrass the Socialists, and escape political isolation. (763.00/5-1551)

[2] Telegram 2670 summarized newspaper reports concerning the Austrian Communist Party's endorsement of Koerner. (963.61/5-1551)

I feel therefore that it would be timely to demonstrate publicly our interest in coalition, and it occurs to me that visit of a prominent People's Party representative and Socialist to US at this time wld be effective demonstration of stability coalition and our own position. Figl and Schaerf who paid joint visit to Sweden last autumn reluctant to visit any of western capitals officially so long as occupation continues. I believe either Raab, Hurdes or Margaretha might be obtained from People's Party and Waldbrunner from Socialists. I shld propose to announce trips before runoff vote May 27 if arrangements can be made for travel in June. Wld appreciate Dept's comments. [3]

DONNELLY

[3] In telegram 2487 to Vienna, May 18, the Department of State concurred with Donnelly's suggestion about the proposed visit but requested that extreme care be used to avoid adverse comments about U.S. participation in Austrian politics. (763.00/5-1551)

## No. 489

763.00/5-2351: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, May 23, 1951—10 a.m.

2756. In separate discussions with Figl, Schaerf, and Gruber May 21 all indicated approval of the suggestion, which I put forward without commitment on our part, that two party representatives visit US soon after elections as a demonstration of our continued interest in maintenance of coalition (Deptel 2487, May 18 [1]). Reversing their reiterated view that while they were most anxious to visit US they could not do so until after ratification of state treaty. Both Figl and Schaerf indicated their desire to visit US soon. They implied they had received invitations from private organizations in US and Schaerf is considering trip in near future but Figl said he cld go only next spring or possibly this fall. In Figl's opinion state visit to US wld improve morale of Aust people since it wld demonstrate govt independence and conduct of foreign affairs despite lack of state treaty.

Both Figl and Schaerf made clear they hoped we wld go ahead with suggestion visits regardless of their personal plans and promised to inform me after consultation with other party leaders re

[1] Not printed, but see footnote 3, *supra*.

their choice of representatives. (I anticipate Waldbrunner will be Socialist choice but Gruber hinted with some reservations re Hurdes for Peoples Party.) In meantime I recommend Dept endeavor to arrange visit under private auspices although Dept will presumably have to provide funds. I hope visit can be announced promptly after elections May 27 and shall forward suggestion re Amer program as soon as I have heard from Figl and Schaerf re representatives selected.

DONNELLY

---

## No. 490

*Editorial Note*

The Presidential candidates for the elections in May were announced by the various political parties in late February and early March. The nominee for the People's Party was Heinrich Gleissner, Governor of Upper Austria. His selection caused some concern in the Legation because of his former affiliation with the Nazi Party, a fact which Donnelly felt could be exploited by the Communists. (Telegram 1373 from Vienna, January 8, 763.11/1–851) The Socialist nominee was Theodor Koerner, Mayor of Vienna, while the recently formed Nonpartisan Committee for National Unity selected Burghard Breitner, a hero of World War I and a professor of surgery at the University of Innsbruck.

Since no candidate polled an absolute majority during the elections of May 6, a runoff election was scheduled for May 27 between Gleissner and Koerner, the two leading candidates. Despite all preelection analyses, the Socialist candidate Koerner was elected Renner's successor by 52 percent of the total vote. Documentation concerning the election is in files 763.00 and 763.11.

## No. 491

741.13/5-2851: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

SECRET LONDON, May 28, 1951—6 p.m.

6218. Minford of FonOff Aust desk, who accompanied Morrison to Vienna, [2] told EmbOff May 28 fol points were covered in FonSecy's conversations with Aust officials:

1. *Ger assets in Aust.* Morrison gave strong assurance to Gruber that UK fully intended implement para 11 of Art 35 of draft treaty by which three West powers relinquish to Aust Ger assets in Aust.

2. *Oil undertaking.* Gruber was at first skittish on this subj; after Morrison reiterated importance attached by UK to declaration Gruber agreed that undertaking wld be given.

3. *Occupation costs.* Gruber emphasized that shld Aust treaty not be soon forthcoming wld be psychologically important that shld appear Aust was passing occ costs only to Russians; any money paid to Fr and Brit wld have to be in nature of voluntary contribution to West def. Minford added that occ costs question may arise again before end of year as 140 million schillings will probably not cover Brit costs for 1951 (Vienna's tel 1813 to Dept Feb 21 [3]).

4. *Requisitioning.* Figl and Gruber urged that UK derequisition as many properties as possible and fill housing needs by construction new properties which wld later revert to Aust. Morrison said Caccia wld discuss this problem with Aust officials but did not hold out much hope that funds cld be found for such construction.

5. *Aust assets in UK.* Figl said Hartenau of Aust Natl Bank wld proceed to UK to discuss question of disposition of Aust assets in UK totalling about 600,000 pounds.

6. *Raw materials.* Figl pointed out Aust economy dependent on imports of raw materials and said Aust had no def industries into which workers made idle by shortages cld be channeled. He mentioned conclusion of new agreement to ship timber to UK as indication Aust desire to cooperate and expressed hope that Aust needs wld be taken into consideration in distribution raw materials. In reply Morrison outlined difficulties UK itself was having in procuring essential materials and referred to Stoke's trip to Wash in this regard. Morrison mentioned that Aust might export raw steel to UK because of tight raw materials situation, Figl suggested that UK and Aust consider establishment of "quota controls" for their trade.

7. *Coalition govt.* Morrison advised reps of both People's Party and Socialists to continue with coalition govt. According to Minford, neither was very happy with this advice.

---

[1] Repeated to Vienna, Paris, Moscow, and Frankfurt for Reber.

[2] Herbert Morrison, British Secretary of State for Foreign Affairs, visited Vienna May 22-23, following a visit to Bonn the previous 3 days.

[3] Document 479.

Minford thought FonSecy had made good impression in Aust, due in no small measure to fact that he was "indefatigable" and apparently enjoyed his visit.

GIFFORD

---

## No. 492

S/S–NSC files, lot 63D351, NSC 111

*Report by the National Security Council* [1]

NSC Determination No. 2 [WASHINGTON,] June 14, 1951.

TRADE BETWEEN AUSTRIA AND THE SOVIET BLOC IN THE LIGHT OF SECTION 1302 OF THE THIRD SUPPLEMENTAL APPROPRIATION ACT, 1951

### I. BACKGROUND

1. Section 1302 of the Third Supplemental Appropriation Act, 1951 (Public Law 45, approved June 2, 1951), directs that no economic or financial assistance shall be provided to any foreign country which, after 15 days following the enactment of the Act, exports or knowingly permits the export of certain named categories of commodities to the Soviet Bloc during any period in which the Armed Forces of the United States are actively engaged in hostilities in carrying out a decision of the Security Council of the United Nations. In order to be eligible for economic or financial assistance each country must certify that after the prescribed period it has not exported or knowingly permitted the export of the prohibited items to the Soviet Bloc.

2. The Act requires that the Secretary of Defense certify to the Economic Cooperation Administrator a list of specified articles or commodities. The list in question was certified on June 5, 1951.

3. The Act authorizes the National Security Council to make exceptions to the several provisions of Section 1302. Such exceptions are to be made only upon an official determination by the National Security Council that they are in the security interest of the United States.

4. Austria has been a substantial recipient of United States aid. Under the ECA program it will have received approximately $800 million through the fiscal year 1951. The foreign aid program for

---

[1] This report was originally Annex 1 to NSC 111, "NSC Determinations Under Section 1302, Third Supplemental Appropriation Act, 1951, June 8, 1951."

fiscal year 1952, currently before the Congress, contemplates the continuance of substantial aid to Austria.

5. Austrian economic ties with European Soviet Bloc countries were particularly close before the war, especially with those countries which earlier formed part of the Austro-Hungarian Empire. After World War II there was a distinct reorientation toward the West, but shipments to Soviet Bloc countries remain substantial, total recorded exports to these areas reaching about $47 million in 1950, or about 15% of the total. Iron and steel and their manufactures accounted for about ⅓ of this total and machinery, apparatus, instruments and vehicles and parts accounted for roughly 11%. During the first quarter, 1951, the total value of recorded exports to the Bloc was $11.7 million, or somewhat below the quarterly rate prevailing in 1950. There appears to have been a substantial increase in the rate of shipment of iron and steel and of machinery, accounting for about 50% of the total.

6. In addition, the Soviet occupation forces in Austria initiate or sponsor other shipments designated as Soviet property. These shipments necessarily move out of Austria without examination or recording by the Austrian customs or licensing by the Austrian trade control authorities. It has been estimated that during 1950 these "involuntary" unrecorded exports amounted to about $48 million, of which crude and refined petroleum all originating in oil fields and refineries held and operated by the Soviets accounted for $30 million. Nearly all of the other shipments appear also to have been the products of the more than 300 controlled factories in Austria which had been taken over by the Soviets shortly after the occupation as German assets. These shipments consisting of a wide variety of goods include such important products as iron and steel, machinery and equipment and scrap iron as well as such items as paving stone, windowglass, paints and varnishes.

7. Recorded imports from the Soviet Bloc in 1950 amounted to $50 million or about 13% of total imports. The imports from the Bloc in the first quarter of 1951 were valued at $18 million or 12% of the total imports. During 1950, coal, coke and briquettes accounted for about half of the value, the balance consisting of such items as livestock, sugar, machinery, vehicles, apparatus and metal products, and specialty foods and other soft goods. During 1951, there has been a tendency for hard coal deliveries from Poland to decline while shipments of brown coal from Eastern Germany increased. There is a substantial volume of goods brought into Austria by the Soviet forces amounting to perhaps $4 million in 1950 which like the "involuntary" exports, are unrecorded. These goods include consumer goods for Soviet-operated retail stores in Vienna and the Soviet Zone and industrial materials such as oil pipe and drilling

equipment, chemicals and pyrites, primarily for use in Soviet-controlled enterprises.

8. Austria is exporting to the Soviet Bloc materials certified by the Secretary of Defense as falling within the categories set forth in Section 1302.

## II. PROBLEM

9. In the circumstances therefore the National Security Council has been faced with the choice of deciding that all economic and financial assistance to Austria should be discontinued or of deciding that aid to Austria should be continued, in the security interest of the United States, by granting an exception to the provisions of Section 1302.

## III. DISCUSSION

10. The United States has important security interests in Austria. It is in the interest of the United States that Austria be a free independent and unified country with the maximum orientation possible to the Western world.

11. Austria is a liberated country jointly occupied by the United States, the United Kingdom, France and the U.S.S.R. While there are separate zones of occupation, it is politically and economically a single unit and there are no customs boundaries between the several occupation zones. The occupying powers have reserved to themselves the power to intervene and object to actions taken by the Austrian Government.

12. As a result of its status as an occupying power, the United States shares in international obligations to maintain peace and order and a reasonable standard of economic activity in Austria.

13. The nature of the Austrian economy is such that it cannot earn enough dollars to support its essential imports from the dollar area in the absence of United States aid. Until a greater measure of convertibility of currencies is achieved, it cannot measurably increase its indirect earning of dollars. The Austrian economy would hence be highly vulnerable to the discontinuance of United States economic and financial assistance. The deterioration in economic activity with reduced standards of living and mass unemployment which would result would make Austria, given the presence of the Soviet occupation force, a victim of increased external pressure and increased attempts at internal subversion. These consequences would be directly at variance with all that the United States has been seeking to accomplish in Austria since the war and would be contrary to the security interests of the United States.

14. The Austrian economy is heavily dependent upon foreign trade. It cannot produce key industrial raw materials and food-

stuffs in sufficient volume to support its population at an acceptable standard of living. It must sell abroad in order to pay for its essential imports. A complete embargo of exports of the character referred to in Section 1302 would undoubtedly result in retaliatory measures on the part of the Soviet Bloc probably involving a decrease of imports from that Bloc into Austria. The most serious loss from the point of view of the Austrian economy would be the loss of fuel from Poland, Czechoslovakia and Eastern Germany. Presumably the United States could in time ship increased quantities of coal and its products, but this would involve dollar expenditures which Austria cannot afford without a major increase in United States aid, and strains on the shipping resources of the Western world. Declines in other imports would in most cases cause disturbances in the Austrian economy and further declines in consumption levels. The loss of export markets in the East could perhaps in time be compensated for by gaining markets in the West. During a transitional period there would no doubt be some difficulties of adjustment including additional unemployment.

15. Inasmuch as the U.S.S.R. is one of the occupying powers it is not possible for the Austrian Government to exercise effective control of its trade with the U.S.S.R. and its satellites.

16. It would be manifestly impossible for Austria to provide the certificate called for by Section 1302.

## IV. DETERMINATION

17. The National Security Council, in view of the considerations in Section III, determines that it would be to the security interest of the United States to make an exception from the provisions of Section 1302 for Austria.

## V. INSTRUCTIONS

18. The National Security Council directs its Special Committee on East-West Trade to:

a. Continue its examination of trade between Austria and the Soviet Bloc;

b. Continue to seek additional measures, consistent with over-all U.S. security interests, for diminishing the flow of strategic commodities from Austria to the Soviet Bloc with a view to making appropriate recommendations to the National Security Council.

19. The National Security Council directs its Executive Secretary to declassify this Council document. This declassified document will be submitted as a National Security Council report to the Committees of Congress named in Section 1302, together with the trade analysis called for by that Section.

## No. 493

S/S-NSC files, lot 63 D 351, box 4206, NSC 38

*Memorandum by the Deputy Under Secretary of State (Matthews) to the Executive Secretary of the National Security Council (Lay)*

TOP SECRET WASHINGTON, July 6, 1951.

Subject: Third Progress Report on NSC 38/4 and NSC 38/6, "Future Courses of U.S. Action with Respect to Austria" [1]

1. NSC 38/4 was approved as Governmental Policy on November 18, 1949; NSC 38/6, on May 5, 1950. It is requested that this Progress Report, covering the period December 15, 1950 to June 15, 1951, be circulated to the members of the Council for their information.

2. No further progress toward the conclusion of the Austrian Treaty has been made. The meeting of the Treaty Deputies in London scheduled for March was postponed until the end of the talks among the Minister's Deputies in Paris and now may not be held until a decision is reached concerning a meeting of the Council of Foreign Ministers. Every effort has been made to have the Austrian Treaty included on the agenda of a CFM if held. Tripartite agreement on a firm Western position would be sought prior to such Four-Power talks.

3. Efforts to reduce further the burden on Austria of occupation costs have been only partially successful. France and the United Kingdom still maintain that they cannot afford to pay their own occupation costs as the United States has done since July, 1947. In order to halt Soviet unilateral action to secure military occupation costs which the Allied Council had not allocated since 1948, the four occupying powers agreed in the Allied Council to a lump sum settlement in March which fixed allocations for 1949, 1950, and 1951. Under this settlement the Soviets agreed to the procedure already followed by the French and British of using the allocations to compensate for occupation expenses already paid by the Austrians. The United States continues to return its allocation to the Austrian Government.

4. The representatives of the three Western powers in the Standing Group of the North Atlantic Military Committee have agreed that the creation of SACEUR will only affect the status of their military forces in Austria in the event of hostilities and for planning purposes. Upon the outbreak of war these forces will come under the command of General Eisenhower in SACEUR, and in

[1] For NSC 38/4, see *Foreign Relations*, 1949, vol. III, p. 1190. Regarding NSC 38/6, see NSC 38/5 and the editorial note, *ibid.*, 1950, vol. IV, pp. 387 and 397.

preparation for this contingency staff planning by the SACEUR and the Allied commanders in Austria will be undertaken. Tripartite agreement has been reached with the French and British Governments that any inquiries from non-NATO sources concerning the relationship of Western occupation forces in Austria to General Eisenhower's command will be answered to the effect that no US, UK, or French forces in Austria are assigned to SACEUR.

5. The United States, French and British Governments have reached agreement on instructions to their High Commissioners in Austria on the organization of an Austrian army, and the agreed instructions have been issued to the respective High Commissioners. As a result the High Commissioners and representatives of the Austrian Government have agreed that representatives of the US, French, and British commands in Austrian together with three Austrian representatives will soon start meetings in Salzburg to draft legislation and regulations for the future Austrian army. For security reasons all discussions and documentation will be held in U.S. facilities.

6. With respect to the *gendarmérie* training program to provide a cadre for the proposed Austrian Army, the 1,500 man special *gendarmérie* regiment (500 man battalion in each Western zone) is now in training on an overt basis. With the exception of a few items all equipment for this force, which was drawn from a non-MDAP Army stockpile in Austria, was turned over to Austrian *Gendarmérie* officers in March and April. . . .

7. Shipment of equipment for the 28,000 man Austrian army to be stockpiled in Germany and/or Austria was 72 per cent (money value) complete on February 15. It is anticipated that the program will be 90 per cent complete by September 1, 1951 and 100 per cent complete by June 30, 1952. In view of the proposed change in the Line of Communications (LOC) of the US Forces, Austria from Germany to Italy and in view of the fact that the EUCOM LOC extends through France, it is considered that this equipment may be properly stockpiled on either or both of these LOC's as well as in Austria or Germany as now specified in paragraph 11 (d), NSC 38/4.

8. To conform to U.S. evacuation plans and the change in LOC from Germany to Italy, the Austrian Government has decided to designate Innsbruck rather than Lienz as the emergency capital for the Austrian Government in the event it is forced to withdraw from Vienna.

9. Surveys have shown that Nussberg in the American Sector of Vienna is unsatisfactory as the site for a Vienna airstrip. As an alternative the United Kingdom has agreed to permit the construction of an airstrip at Simmering in the British Sector of Vienna.

UK and U.S. engineers in consultation with representatives of the Austrian Government are now preparing plans for this project. This airstrip will be operational primarily for C–47's. If the decision is made pursuant to paragraph 19 (b) of NSC 38/6 to prepare for the air supply of Vienna during a blockade, this Simmering airstrip may be enlarged to hold two 5,000 foot airstrips. Most of the equipment and matériel for construction of two 5,000 foot airstrips has been stockpiled in Vienna.

10. The United Kingdom stated in November, 1950 that it was unable to undertake the creation of an Austrian air force on a grant basis. Further efforts are being made to define the British position in order to clarify planning by the Department of Defense if it is clear that the British have definitely cancelled their own program. Should the need arise during fiscal year 1952 for the United States to equip an Austrian air force, it is anticipated that funds can be made available from Title I, MSAP (Mutual Security Assistance Program) appropriations for equipment of an initial air force which might comprise, for example, one composite squadron of four transport and six liaison aircraft.

H. FREEMAN MATTHEWS

---

## No. 494

863.00R/7–1351

*Memorandum by the Officer in Charge of Italian and Austrian Affairs (Colladay) to the Director of the Office of Western European Affairs (Byington)* [1]

SECRET [WASHINGTON,] July 13, 1951.

Subject: Austrian Aid Figure for Fiscal 1952

ECA has informed us that they now consider the figure of $145 million for Austrian aid in fiscal 1952 as a ceiling figure and that $100 million is a more realistic estimate. This drastic change, which is predicated upon ECA's expectation that Congress will demand a cut in Austrian aid and upon ECA's dissatisfaction with Austrian performance, is in sharp contrast to ECA/W's previous position (namely, that Austria's aid figure would be "somewhat lower" than the $185 million figure suggested by the Vienna Mission and OSR and that the "illustrative" figure of $145 million could be revised in the interests of preserving U.S. policy objectives). It is significant that so far as we know, ECA/W did not seek

[1] Drafted by Rutter.

to communicate this apparent policy change on the recent occasions of Mr. Foster's recent visit to Vienna or Ambassador Donnelly's call on Mr. Paul Porter.

WE has taken the position that sufficient aid should be furnished Austria in 1952 to maintain political stability. There is a strong presumption that this cannot be done if ECA goes ahead with this new "get-tough" policy and if the Austrian Government is requested to put into effect at once the large-scale reform program which would be necessary to keep to this low aid figure. It is likely, therefore, that a high level meeting between Department and ECA officers will be required to resolve this difference of opinion on the execution of U.S. policy.

---

## No. 495

863.00R/7-1651: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, July 16, 1951—7 p.m.

186. For Perkins and Foster ECA. During visit today with Figl and Schaerf I told them reps of acct firm Andersen had informed me this morning of their decision to withdraw from investigation because of uncooperative attitude competent Aus officials. This decision was reached at earlier mtg with accountants and Ward OSR and Thibodeaux. Emphasizing that I was speaking frankly and as friend of Aus, I told Figl and Schaerf in view of unsatisfactory record of investigation, characterized by unilateral reversals on part of Min Margaretha of decisions reached by US officials and Aust Govt, I concurred in decision of accountants. I stated it was impossible to foretell consequences of this step and mentioned my telephone conversation with Foster in New York urging completion of investigation. I said accountants had discovered serious cases of dollar diversion harmful to Aus economy but cld not complete their findings because of mounting resistance on the part certain individuals against an independent audit. Because of this resistance, continuation of the investigation useless and waste of time and funds.

My statement made strong impression. Figl appeared visibly shaken, Schaerf exclaimed, "This is proof that Joham of Creditanstalt is stronger than Aus Govt and Aus Parliament." When I left the mtg Schaerf remained behind, no doubt to discuss new situa-

[1] Repeated to Paris for Katz.

tion with Figl. I consider it likely that govt will make renewed effort to permit conduct of investigation.

DONNELLY

## No. 496

763.0221/7-1751: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, July 17, 1951—8 p.m.

200. British High Commissioner has informed me of British and French intention to reopen question of occupation costs for 1951, on basis of increase local costs, and to endeavor obtain additional allotment for current year in connection with any quadripartite agreement on 1952. Caccia said he and Payart wld hope additional allocation for 1951 cld be agreed upon in time for Austrians to include sum in their annual deficiency appropriation generally submitted to Parliament in September, and that costs for 1952 cld be decided by October when Austrian budget for coming year will be announced.

In reply to my query re amounts involved, Caccia said present British calculation, which was purely tentative, showed they wld require an additional 11.9 million schillings for 1951. French, he added, were talking about an additional 40 million for current year, and around sum of 200 million for 1952.

Caccia told me British and French Embassies were being instructed to discuss this question with Dept. I strongly recommend that we adamantly refuse to consider any further allocation of costs for current year, and I hope we will use every effort to keep costs for 1952 near the present figure if we are still not prepared to insist that British and French join us in paying occupation costs here. [1]

DONNELLY

[1] In telegram 153 to Vienna, July 18, the Department of State expressed its full agreement with Donnelly's position. (763.0221/7-1751)

## No. 497

863.00R/7-2051

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State* [1]

SECRET [WASHINGTON,] July 20, 1951.

Subject: Dollar Diversion Investigation in Austria.

1. As a result of the May 29, 1950 report on Austria of the Joint Congressional Committee on ECA (Watch Dog Committee) which severely criticized ECA and Austria for the dissipation of ECA aid and Austria's own dollar resources, the Department and ECA on November 8, 1950 recommended that the Austrian Government investigate these allegations with the assistance of a reputable American firm of certified public accountants. Although the Austrian Government agreed to proceed with the so-called dollar diversion investigation, no significant progress has been achieved since November because the Austrians, under a variety of pretexts, have refused to allow the accountants to examine records essential for a proper investigation.

2. There is no reason to doubt that the weak and inefficient administration of Austria's foreign exchange system has facilitated flight of capital by certain individuals and institutions, notably the Credit Anstalt bank which handles approximately 70 percent of Austria's foreign trade.

3. Disclosure of these practices will probably discredit a number of influential Austrians and force a reorganization of financial institutions. The reaction will not, we believe, disturb essential political stability.

4. Refusal of the Austrian Government to push the investigation is apparently based upon political influence exercised over the Government by the Credit Anstalt as well as Austria's conviction that in the light of our security objectives in Austria we cannot afford to insist upon a thorough investigation.

5. Although on July 6 the Austrian Government again informed Ambassador Donnelly that satisfactory arrangements for the accountants would be authorized, the Austrians subsequently persisted in their obstructive tactics.

6. Under these circumstances the Department prepared a very strong message to Vienna (Deptel 150, July 18 [2]) with which Mr.

---

[1] Drafted by Rutter.

[2] Telegram 150 instructed Donnelly to make the strongest representation to Figl in order that the Austrian Government be disabused of the notion that the United States would not push through any difficult reform action in Austria. (863.00R/7-1651)

Foster concurred instructing Ambassador Donnelly to inform the Austrian Government that a satisfactory investigation must be concluded.

*Recommendations*

In view of the discreditable Austrian behavior on this issue and the implications if they should be permitted to evade our request it is believed that this investigation must be pushed through with all the force we can muster up to the point that evidence is available that the use of this force clearly imperils our political interests in Austria.

---

## No. 498

863.10/7-2051

*Memorandum of Conversation, by the Deputy Director of the Office of Western European Affairs (Williamson)*

SECRET [WASHINGTON,] July 20, 1951.

Subject: Dollar Diversion Investigation in Austria.

Dr. Kleinwaechter informed me today that he had received instructions to inquire officially concerning the Department's position with respect to the dollar diversion investigation in Austria. He stated that the Foreign Office was concerned whether acceptance of the U.S. request to turn over records of trade transactions to the accounting firm would result in a similar demand on the part of the Soviet element. He stated that the Austrian Government did not wish to be put in this position as it could not accede to such a request from the Soviet authorities.

I informed Dr. Kleinwaechter that such a possibility would have to be taken into account and be given serious consideration. I informed him that the Department took a serious view of the lack of any progress in the investigation and the obstacles which had been placed in the path of the accountants. I informed him of the substance of the joint State-ECA instructions which had been transmitted to Mr. Donnelly and Mr. Meyer this week. I stated that the Austrian aid program faced great difficulties in view of the demands now made on U.S. dollar resources by reason of Western European rearmament and the war in the Far East. The primary objective should be the full utilization of all resources open to the Austrian Government. Any cut in the level of aid resulting from the failure to complete the investigation or from any Congressional action in making a decreased amount of funds available would

have adverse consequences in Austria if substantial dollar resources are being diverted to unproductive uses.

Dr. Kleinwaechter stated that in the view of his Government there would be no objection to the investigation if it were confined to transactions with the ERP countries. Any investigation beyond that point would result in Soviet demands for full access to the records. He stated further that he would inform the Department of any development in the Austrian Government's position, particularly after the meeting which Mr. Donnelly plans to have with the Chancellor and Vice Chancellor.

---

## No. 499

863.00R/7-2151: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, July 21, 1951—2 a.m.

261. From Donnelly and Meyer, for Perkins State, Foster ECA, and Katz OSR. Supplementing Legtel 260 July 21 [2] following background info may be of interest on atmosphere of negots:

Complete story of developments this week in Aust Govt with respect to accountants' investigation learned from Schaerf last night.

After clarification our position, which I gave Figl and Schaerf on Mon July 16, Figl obviously surprised and shocked, and it seemed to us possible that govt might call off investigation if Peoples Party had their way, or attempt further temporizing if Gruber called the tune, or finally decide to cooperate in face of my warning and under Socialist pressure from within cabinet.

When Figl and Schaerf came to see me at legation Thurs, it was clear that they had something to talk about but were having difficulty in getting to the point. After discussion miscellaneous subjects, I asked them what about the accountants, and in due course informed them of contents Deptel 150 (rptd Paris 415). [3] Figl hastened to reply that we might have everything that we wished and that he wld present matter to cabinet and confirm decision by letter on fol day. Yesterday afternoon I recd letter, main point of which was scope of investigation (war-assets, ERP, and all other

---

[1] Repeated to Paris.

[2] Telegram 260 briefly described the discussions with Figl and related the contents of the letters exchanged between Figl and Donnelly on July 20. (863.00R/7-2151)

[3] See footnote 2, Document 497.

transactions in any way connected with them). I returned letter as unacceptable because of qualifying phrase "in any way connected with them". Figl called out of parliament to attend to this and stated he wld gladly omit phrase in redictated letter, text of which I have now received and regard by and large as satisfactory.

Later in evening Schaerf informed me that whole question had not been fully aired in cabinet until that morning, Friday, July 21, in bitterest session yet witnessed. Entire Peoples Party attacked Figl who stood alone with Socialists. Figl reproached for conducting secret negots with Americans, not keeping his party colleagues informed, and willingness submit to conditions which his colleagues subscribe. Kolb, Hurdes, and Margaretha stated they wld never agree to proposed scope of investigation. Gruber still out of town. (Schaerf says although Gruber has ostensibly appeared to seek helpful compromises, he had privately continued to advise Margaretha not to give in.)

Decision to comply with our wishes finally reached when Socialists threatened to take whole matter to floor of parliament if Peoples Party did not give in. Schaerf says his party's position based on two points: (1), That relations with US and foreign aid may not be jeopardized by mischief of private individuals; (2), Necessity for clean house in Aust administration. Schaerf said it had been bitter day for Margaretha, one of whose chief officials, Hintze, had been arrested that afternoon for abuse of office in administration of public assets. Schaerf added that although politically this cabinet session had been a nail in Figl's coffin, from now on there wld be no argument about investigation, and his belief we cld have anything we wished. In Schaerf's opinion, there is possibility of Figl's emerging with strengthened position after lapse of few months, if in fact Joham and Grimm can be got rid of.

Immediate repercussions late in evening were frantic attempt of Creditanstalt emissary Obernbreit to get in touch with officer of Legation for purpose of conveying fol msg: (1), That as result this unjustified persecution Austria's leading bank govt wld fall; (2), Commies already in possession and wld publish complete story American interference; (3), Sovs wld claim Creditanstalt as German asset and seize all of bank's holdings in eastern zone; (4), Sovs wld demand immediate repayment of five years rent for Hotels Grand and Imperial and other properties leased from bank.

I regard it as entirely possible that Peoples Party leadership may go through period some embarrassment and severe internal dissension, but am inclined discount threats of Creditanstalt, although they may be expected to try every stratagem to save themselves. [Donnelly and Meyer.]

DONNELLY

## No. 500

763.0221/7-2551

*The United States High Commissioner for Austria (Donnelly) to the Deputy Director of the Office of Western European Affairs (Williamson)*

PERSONAL AND SECRET VIENNA, July 25, 1951.

DEAR FRANCIS: The British High Commissioner spoke to me again last night about French and British occupation costs. He had just returned from a long meeting with the French High Commissioner, all of which was devoted to this problem.

The British High Commissioner said that he reported to London that they would require an additional 12,000,000 schillings for 1951 and that the French High Commissioner had said that they would need about 15,000,000 schillings for this year. As regards 1952 the British High Commissioner said that the Frenchmen had spoken in terms of 220,000,000 schillings, indicating that the British would not be opposed to this figure, although they did add that they had not worked out the estimates for 1952. He went on to say that he had asked his Government to inform him as to their decision in respect to 1951 and also that the French High Commissioner had told him that he was referring the matter to Paris with request that Paris initiate conversations with London and Washington with a view to paving the way for discussion of 1951 and 1952 costs at the Allied Council meetings during September.

The British High Commissioner requested my views and I gave them to him in no uncertain terms. I told him that I had no objection to the British and French consulting with our Government but I could tell him that Washington would be very disappointed and they would certainly receive no encouragement from them. I suggested that it was about time for the occupying powers to curtail certain civilian expenditures and others that would not interfere with our real objectives here. I also told him that we were faced with a real problem concerning Austria, namely, the strong possibility of a substantial cut in ECA aid to Austria during the current fiscal year. I explained to him the status of the conversations with the Austrian Government regarding the dollar diversion problem, how serious it was and that I could not predict the consequences. There was one thing that was very clear to me and that was the aid program for 1952 would be considerably below 1951, in which case I could not see where the money would come from to pay added occupation costs.

It may be presumptuous on my part but I could not restrain myself from telling him I saw no hope of even serious discussions about occupation costs until such time as the British and French remove their Soviet Repatriation Missions from their zones. The Deputy High Commissioner who was present, remarked: "I can not see the connection." I said: "Well, I can."

Now that you have had a well-deserved vacation you are probably well prepared to take on the British and French and other problems. I am sorry to pass the buck to you but there is nothing that we can or should do about it here, and we bow to you in this connection.

Sincerely yours,

WALTER

---

## No. 501

ECA message files, FRC 53A278, Vienna Telegram

*The Acting Economic Cooperation Administrator (Porter) to the ECA Mission in Austria* [1]

SECRET WASHINGTON, August 3, 1951—9 p.m.

Ecato 443. Subject—ECA Policy Toward Austria. Reference—Mission and OSR cables re (a) level of 1952 aid (b) increase in grain prices (c) 1951 counterpart program (d) U.S. coal import program. Part I of IV Parts.

1. Consideration of Aust program must take into account fol:

a) Administration may be confronted with most serious opposition by Congress to request for foreign aid funds since inception Marshall Plan.

b) Aust aid requirements are in competition against other highly critical foreign aid requirements for funds which may be substantially reduced by Congress.

c) Large aid figure Aust difficult defend before Congress, since Aust cannot make material contribution to Western defense program.

In view of foregoing ECA/W doubts implication in Mission discussions aid figure, coal problem, and wage-price agreement that it will be possible solve current problems facing Aust with additional U.S. aid. On basis ECA's appraisal of total aid availabilities believe such remedy unrealistic. As indicated Deptel 150 rptd Paris 415 [2]

---

[1] Repeated to Paris for OSR.

[2] Telegram 150 informed the Embassy that the Department of State considered it a matter of "gravest concern" that the dollar diversion investigation was being

*Continued*

$145 mil must be regarded ceiling 1951/52 aid and Mission hereby cautioned actual figure may be as low as $100 mil.

2. ECA/W appreciates difficulties which wld confront Aust Govt if shld be necessary adjust to aid figure low as $100 mil during present period of international economic disturbances. We also fully aware serious consequences failure sustain economic welfare Aust. However, imperative determine how Aust Govt can be persuaded undertake measures required prevent sharp reduction aid from resulting in high level unemployment, inflation, or other adverse economic consequences which cld threaten stability Aust.

3. ECA/W concurs Toeca 503 rptd Paris Torep 576 [3] that ECA's bargaining position negotiating with Aust Govt re commitments necessary achieve ERP goals may be affected by fact that political situation requires aid be allotted maintain economic activity even when performance not wholly satisfactory. Basic reason for weakness negotiating position may have been our reluctance make Austs undertake remedial measures well in advance anticipated difficulties in order maintain political stability. As result U.S. had no other alternative than provide additional counterpart or direct aid. Therefore, in light our objectives ECA must exploit greater extent leverage which Aust dependence U.S. aid offers influence Aust Govt to take measures keep economy under control. ECA/W considers Aust economy strong enough withstand mild austerity program without jeopardizing political stability.

Thus U.S. policy toward Aust remains that political stability be maintained Aust with orientation towards West; but because of factors mentioned previously program as suggested will have to be imposed up to point that clear evidence available deteriorating political and economic stability. However, believe $100–$145 mil aid figures may be sufficient avoid deterioration and yet stir Aust Govt take immediate remedial action within its power. In any event believe this overall policy shld be watched as Aust situation develops.

PORTER

---

interfered with by the Austrian Government and warned that aid might be reduced significantly because of Austria's unsatisfactory performance in several fields, especially the administration of the foreign exchange system. (863.00R/7-1651)

[3] Telegram Toeca 503 reported that the political situation in Austria might require that, in the interest of the United States, aid be allotted to maintain economic activity and reasonably satisfactory standards of living even when Austria's commitments and performance might "not measure up to expectations." While this weakness had to be recognized, the ECA Mission pointed out that it would attempt to maintain the strongest possible bargaining position. (ECA message files, FRC 53A278, Vienna)

## No. 502

ECA message files, FRC 53A278, Vienna: Telegram

*The Acting Economic Cooperation Administrator (Porter) to the ECA Mission in Austria* [1]

SECRET WASHINGTON, August 3, 1951—9 p.m.

Ecato 444. Subject—ECA Policy Toward Austria. Reference—Mission and OSR cables re (a) level of 1952 aid (b) increase in grain prices (c) 1951 counterpart program (d) U.S. coal import program. Part II of IV Parts.

In view foregoing considerations Mission requested explain problem to Aust Govt along fol lines:

(1) Level aid probabilities and impossibility any special increase aid.

(2) Reduced aid level will require advance planning and vigorous action Aust Govt counteract effects decreased aid.

(3) ECA intention review periodical basis performance all PC's before aid for period allotted. It shld be made perfectly clear to Aust Govt this Govt prepared follow through with cuts annual aid shld a country fail to demonstrate doing utmost help itself and no exception will be made for Aust.

(4) Fields in which performance considered unsatisfactory and further progress expected are:

a. Adjustment wheat prices to maximize future grain production and collections
b. Administration foreign exchange
c. Abolition trade practices resulting in loss foreign exchange
d. Export drive
e. Productivity drive
f. Banking reform
g. Elimination restrictive business practices
h. Tax collections
i. Credit control

FYI since interests this Govt maintaining political stability Aust wld make it impossible withhold aid entirely and since knowledge this fact Austs has undermined ECA's bargaining power to date, ECA suggests fol technique be used convince Aust Govt it not completely immune and therefore proposed periodic review system will be more than *pro forma* exercise. Aust aid figure both direct and EPU, however large wld be, wld be divided three portions. First portion, $26 mil, covering cost of 850,000 tons U.S. coal wld go into coal utilization fund. Second portion (say 2/3 remainder) wld be given to Austs to keep most critical items their program flowing.

[1] Repeated to Paris for OSR.

Last portion wld be allotted Austs quarterly or semi-annual basis in accordance Aust performance in fulfilling commitments re special measures to be undertaken by Aust Govt. At time quarterly review current econ picture cld be reviewed order determine extent to which this Govt can limit aid without adverse repercussions. This technique wld have advantage preventing serious gaps Aust program from occurring while ECA, OSR, and Mission conducts discussions on what ECA attitude shld be for quarter in question. Aust wld also be enabled adopt program within minimum aid figure far enough in advance cushion impact event it shld be necessary U.S. Govt make further reductions aid. Furthermore responsibility for any hardship Aust people wld rest squarely with Aust Govt if only minimum aid forthcoming as result failure Austs to adopt appropriate measures.

PORTER

---

## No. 503

ECA message files, FRC 53A278/Vienna: Telegram

*The Acting Economic Cooperation Administrator (Porter) to the ECA Mission in Austria* [1]

SECRET WASHINGTON, August 3, 1951—9 p.m.

Ecato 445. Subject—ECA Policy Toward Austria. Reference—Mission and OSR cables re (a) level of 1952 aid (b) increase in grain prices (c) 1951 counterpart program (d) U.S. coal import program. Part III of IV Parts.

Within framework of areas to be designated to Aust Govt as requiring governmental action believe ECA shld concentrate influence on immediate implementation few key measures needed keep economy on even keel and facilitate adjustment to diminishing aid.

a. *Adjustment Grain Prices.* Ref Toeca 552 rptd Torep 637. [2] ECA/W concurs proposed Mission negotiations re adjustment grain prices and approved in principle release counterpart required subject to condition outlined below.

b. *Foreign Exchange Administration.* Obviously quickest way Austs to supplement dollar ECA aid is to improve collections foreign exchange earnings. It is our suspicion that in spite changes foreign exchange administration Austs still have long way to go in

---

[1] Repeated to Paris for OSR.

[2] Telegram Toeca 552 described a recommendation calling for the establishment of a 15 groschen per kilo bread grain subsidy as a bonus incentive for agricultural production, requiring the release of 60 million schillings from the ERP Bureau as counterpart funds. (ECA message files, FRC 53A278, Vienna)

order achieve responsible and coordinated administration. We also concerned at Aust failure collect more of tourist earnings.

c. *Retention Quotas.* Believe reduction retention quota to reasonable percentage and its elimination on all but soft commodities shld be given highest priority.

d. *Control of Credit.* Believe proper control of credit most urgent anti-inflationary measure required.

e. *Exchange Rate.* As result 5th wage-price agreement further devaluation schilling may be necessary maintain export market. Present feeling ECA/W is that effect present rate on trade in international situation in July and August shld be tested before any new move. Even if possible devaluation less than 10%, any adjustment exchange rate shld be coordinated with IMF.

f. *Counterpart Policy.* ECA/W believes 1951 counterpart program consistent with objectives outlined above, and subject OSR concurrence, hereby gives step two approval 1951 program with increases coal and agricultural sectors recommended by Mission and step three approval second and third quarter release. Increase second and third quarter release level to 1307 mil to include 3 mil schillings for productivity and TA activities also approved. Concur OSR recommendation Repto 3566 rptd Vienna Repto 360 [3] Mission be authorized make marginal adjustments as needs may dictate within annual program between sectors in above schedule for second and third quarter release in order expedite overall program.

ECA has no objection utilization counterpart for indirect financing subsidies by releasing counterpart for budgetary investment and thereby permitting budget to finance subsidies. Some subsidies appear necessary in order maintain competitive character of Aust economy and there seems to be no method whereby Aust Govt cld increase grain prices this late date other than increasing previously agreed upon subsidies. However, to prevent Aust Govt from abusing this facility, Aust Govt must present supplementary counterpart program including these budgetary investments. Before final approval such releases given Aust must show measures have been taken supplement government revenues and what new steps have been taken counteract inflationary impact higher counterpart release level. Usual financial justification will be discussed NAC after receipt supplementary program.

PORTER

[3] Telegram Repto 3566 informed ECA/W that OSR agreed with the 1951 Austrian counterpart program, including the release of 1,307 million schillings for the second and third quarters of the year. (ECA message files, FRC 53A278, Paris)

## No. 504

ECA message files, FRC 53A278 Vienna : Telegram

*The Acting Economic Cooperation Administrator (Porter) to the ECA Mission in Austria* [1]

SECRET WASHINGTON, August 3, 1951—9 p.m.

Ecato 446. Subject—ECA Policy Toward Austria. Reference—Mission and OSR cables re (a) level of 1952 aid (b) increase in grain prices (c) 1951 counterpart program (d) U.S. coal import program. Part IV of IV Parts.

g. *Coal.*

1. Various estimates coal requirements for FY 1951/52 from U.S. given your Toeca 482 [2] involve tonnages and dollars far in excess aid which will probably be available this purpose. Size these estimates indicate there is misunderstanding objectives and limitations coal program for Aust. Program definitely intended as emergency measure only and shld be implemented such a manner Austs not encouraged believe they can rely heavily U.S. to replace coal normally obtained various resources Europe.

When both size 1952 appropriation and results Polish negots known, Aust coal program will be re-examined. Until that time no commitments as to total amount coal which ECA prepared finance shld be made to Aust Govt.

2. Aust bargaining position already has been strengthened by issuance PA's in previous quarter in amount $3.74 mil cover approximately 350,000 tons (includes 100,000 tons for VOEST 3rd blast furnace) of which 250,000 tons remain to be shipped this quarter. Your recommendation additional aid be provided immediately has been adopted after careful consideration all known facts and PA in amount $2.1 mil covering approximately 200,000 tons issued against July funds. Aust, therefore, has funds to purchase and ship 450,000 tons which is more than one-half of 850,000 tons now programmed this purpose for entire fiscal year 1951/52. Believe this coal program will ease pressure on Aust sufficiently to permit them make every effort secure commitment Poland for as much coal as possible and still strengthen strategic terms of trade. Mission shld stress to Austs importance of keeping U.S. Govt fully informed all stages of negots.

---

[1] Repeated to Paris for OSR.

[2] Telegram Toeca 482 informed ECA/W that the dollar coal imports were estimated at 600,000 tons to be financed by $13,200,000 of direct aid with freight and 300,000 tons for VOEST with $6,600,000 of free dollars with freight. (FRC message files, FRC 53A278, Vienna)

Illustrative aid figure of $145 mil for Aust includes full cost of U.S. coal to be financed by ECA. In any event counterpart deposits will be required against total price ECA financed coal.

Mission requested to submit comprehensive programs by 27 August setting forth specific measures which Austria might take to implement action program so that plans may be developed for relating September allotment to policy outlined this cable. [3]

PORTER

[3] In telegram Repto 3959 from Paris, August 11, the U.S. Special Representative in Europe, Katz, noted his concurrence with ECA policy toward Austria as set forth in telegrams Ecato 443-446, August 3. Two weeks later Katz informed ECA/W in telegram Repto 4207, August 24, that he had discussed the differences of opinion over policy toward Austria with Clarence E. Meyer, Chief of the ECA Mission in Austria, and had told him that the four telegrams outlining ECA policy expressed the views of Foster, Bissell, and himself. Meyer was warned that $145 million in aid was improbable in light of recent Congressional action and that $120 million was a more likely maximum. (ECA message files, FRC 53A278, Paris)

## No. 505

763.0221/8-2351: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, August 23, 1951—8 p.m.

728. Brit and French reps Labouchere, Daw and Lalouette today jointly called upon me to discuss occupation costs. They proposed that current level of 140 million schillings per element for calendar 1951 be increased by 15 million schillings per element on grounds of increased costs; that per element level for 1952 be established at 200 million schillings with escalator clause which would permit seeking increase this level if necessary. Brit estimate their 1951 deficit at 28 million of which they willing to absorb 13 million. On basis previous AC decision Sov element would perforce receive comparable increases.

I pointed out to them dim view we take of Austria's near-term financial and economic situation, anticipated curtailment of US economic aid, probability of further upward adjustment wages and prices, precarious coal situation, and govt subsidy problem inherent in current meat crisis. I further expressed view with which Brit and French concurred that it would seem occupation cost problem should be considered at high level in Wash, Paris, and London. Both Brit and French reps expressed views that respective troop

[1] Repeated to London and Paris.

strengths in Aust should be increased rather than curtailed. I cautioned them that Wash would be against increased occupation costs and stated that although I would report our conversation, I would recommend against this proposal.

Discussion disclosed Sviridov (Sov) some six weeks ago implied to Brit he anticipated their request for higher occupation costs payments while French indicated Aust Finance Min expects such demands based on higher living costs.

DONNELLY

---

## No. 506

863.00/9–451: Airgram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, September 4, 1951.

A–162. With reference to the use of U.S. information media in Austria to achieve U.S. policy objectives, particularly in the economic field, the Department is considering a change in emphasis and direction, and desires your comments on the following proposal.

Heretofore, as the Department understands, U.S. economic objectives have been publicized from the viewpoint of Austrian progress toward reconstruction and recovery, success under the Marshall Plan, and difficulties caused by Soviet interference and spoliation. U.S. dissatisfaction with Austrian slowness to solve its internal economic problems and to make the most efficient utilization of U.S. aid has been expressed solely through diplomatic channels. At present, however, the economic prospect for Austria is so dark that additional measures are required to convince the Austrian public of: (1) the extreme urgency of the situation; (2) the reasons for decreasing aid; (3) the fields in which Austria itself may take remedial action; (4) the prospect of a lowered standard of living if decisive action is not taken. [2] Given the apparent inability of the coalition to face these problems squarely and to keep the Austrian public properly informed, the question arises to what extent U.S. information media can be used to further this program.

The Department is aware how delicate and difficult such a program would be. The central problem is, of course, the inevitable

---

[1] Drafted by Rutter and cleared with Dawson, Colladay, Williamson, and Towsley of ECA.

[2] An analysis of Austria's economic condition by the Legation in Austria is in despatch 1039, April 2. (863.00/4–251)

charge of interfering in Austrian internal affairs. In this connection the Department does not envisage a frontal attack on the coalition or elements in the coalition parties responsible for the majority of archaic or inefficient practices but rather an indirect approach to publicize their nature and cost. For example, the High Commissioner's veto of the cartel law in the Allied Council provides an excellent opportunity for a series of articles on restrictive business practices. Other possible topics are foreign exchange controls, banking reform, tax evasion, "price-gap" financing and food subsidies, the productivity drive, administrative reform, grain-meat prices, price rises outside the wage-price agreement and high export prices. Also articles comparing Austrian economic practices or conditions to more progressive or advanced economies in other Western European countries may serve to keep this program on an objective plane and to diminish the charge that Austria is being singled out for U.S. attention.

It is believed that the USCOA economic staff and the ECA Mission are in a position to provide sufficient material. It may be necessary to provide a topflight U.S. economic editor to prepare this material for the *Kurier* and Red-White-Red broadcasts, but initiation of such a program should not be delayed pending a determination of the personnel requirements involved.

Because of the urgency of the problems posed by the Austrian economic situation the Department requests your comments as soon as possible. [3]

WEBB

[3] The Legation did not respond to this airgram until December 12 when, in despatch 892, it informed the Department of State that U.S. information officers in both the USCOA and the ECA Mission would attempt to persuade Austrian molders of public opinion to clearly explain the country's current problems and their rational solutions. In the opinion of the Legation's information officers, this policy could not be followed indiscriminately because the United States should not singlehandedly institute a broad campaign to eliminate undesirable practices in Austria. (863.10/12-1251)

## No. 507

763.0221/9-751

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Ambassador at Large (Jessup)* [1]

SECRET WASHINGTON, September 7, 1951.

Subject: Soviet Repatriation Mission in the French Zone of Austria

[1] Drafted by Allen and cleared with Williamson and Bonbright.

*Background*

The Soviet repatriation mission in the U.S. zone of Austria was expelled on June 9, 1951 without serious retaliation on the part of the Soviets. [2] The Soviet repatriation mission in the British zone was terminated on August 23 of this year without serious retaliation as yet. The French thus far have refused to expel the Soviet repatriation mission from their zone in Austria, apparently because of the fear of retaliation. The French have indicated their reluctance to oust the Soviet mission in their zone because of the fact that Schuman has a personal interest in French POW's whom a French mission in Moscow is still trying to repatriate. Because the Soviet mission exists largely for espionage and propaganda activities, its presence in the French zone is a menace to the achievement of Western policies, particularly those dealing with the training and equipping of Austrian internal security forces.

A representative of CIA called at the Department today to stress the interest of that agency in having the Soviet mission expelled from the French zone of Austria. He said that information has been received from Paris to the effect that the French position can be changed only by personal action on the part of Schuman. His agency recommends that Schuman be approached on this subject during his current visit in the United States. [3]

*Recommendation*

It is recommended that the Secretary, at an opportune moment, raise this issue with Schuman informally with a view to having the French take early action to expel the Soviet repatriation mission from the French zone of Austria. [4]

---

[2] The correspondence exchanged between the U.S. High Commissioner for Austria, Donnelly, and the Soviet High Commissioner for Austria, Sviridov, concerning the removal of the Soviet repatriation mission is summarized and printed in part in Department of State *Bulletin*, June 25, 1951, pp. 1019–1020.

[3] Schuman was in Washington to attend the Tripartite Foreign Ministers meetings, September 10–14. For documentation on these meetings, see vol. III, Part 1, pp. 1163 ff.

[4] A handwritten notation in the margin stated that the Secretary had discussed this with Schuman.

## No. 508

763.0221/9-2051

*The United States High Commissioner for Austria (Donnelly) to the Deputy Director of the Office of Western European Affairs (Williamson)*

TOP SECRET PERSONAL VIENNA, September 20, 1951.

DEAR FRANCIS: I have before me your interesting and welcome letter of September 10th [1] which I hasten to reply to in view of the importance of the subjects treated in your letter, as well as the desirability of giving you the benefit of my knowledge of their current status.

I shall also refer to a number of other matters of mutual interest.

1. *The Senate Hearings.* [2] It was gratifying to learn that the Senate Hearings went off very well and that you do not anticipate a further cut in our budget. Red Dowling has written to me about the hearings which he considered most satisfactory. As regards the use of ECA funds for use in the Soviet Zone I have suggested to Mr. Meyer and Mr. Thibodeaux that they prepare a memorandum stating ECA's position regarding such loans and clarifying any doubts which may exist in the minds of members of Congress and others that the Soviets have benefitted from them, either directly or indirectly. I consider that ECA here has been very circumspect in its loan operations in the Soviet Zone of Austria which have been made for the benefit of the Austrians residing in the Zone and certainly not for the Soviets. One of the most important problems confronting us in our work in this country is to continue to demonstrate to the Austrians residing in what is known as the Soviet Zone that we are interested in their welfare and that they can count upon our cooperation once it is established that no advantage will accrue to the Soviets. The loyalty of the Austrians residing in the Soviet Zone to their Government and their pro-Western leanings is as strong, if not stronger, than the Austrians residing in any other part of the country, and it is extremely important that we avoid any indication that we have written them off simply because they live in the Soviet Zone. I am sure that the great majority of them would be only too pleased to leave the Soviet Zone if they could do so without too great a burden. This is not possible because whatever tangible equity they possess, consisting of homes,

[1] Not printed.

[2] The Senate was conducting hearings on the report of the Bureau of the Budget and financial assistance to certain European countries was under critical review.

farms, etc., is in the Soviet Zone and they and their ancestors have lived in that area long before there was any thought or possibility of Soviet occupation. I am sure that you and Red told the Senators, as we told the Congressmen, that the over-all majority of Austrian residents in the Soviet Zone is anti-Soviet and in national elections the Communists have polled fewer votes proportionally in the Soviet Zone than in any other part of Austria. The memorandum which I have asked Mr. Meyer and Mr. Thibodeaux to prepare will furnish additional facts to reply to this question whenever it is put to you.

I have not yet received the transcript of the hearings which I am looking forward to reading.

2. *Dollar Diversion Investigation.* The MacCormac article in *The Times* [3] stirred up little interest here and to the best of my knowledge the *Volkstimme* and the Soviet newspaper were the only ones that gave it any play. The American newspaper correspondents here asked me about it. I replied that I would give them all the facts but not for publication since I consider that publicity at this time would interfere with the investigation and prejudice our interests. I told them, however, that the Austrian Government would probably release the story upon completion of the investigation within two to three months. They appreciated our point of view and said that they would await the completion of the investigation.

The investigation is progressing satisfactorily and the accountants are encountering no difficulty. We have carefully avoided contact with them because we feel it would be much better to await the results of the complete investigation than to receive it piecemeal. Furthermore, if we were to keep in constant touch with them we might be accused of interfering with their work and prejudicing their views. The investigation is being conducted in strict accordance with the agreement and with the full cooperation of the Austrian Government.

Mr. Seckel, whom you referred to in your letter, also spoke to me sometime ago about Joham of the Creditanstalt. I took the position at that time, and I shall take the same position if he calls upon me during his next visit to Vienna, that it is an Austrian affair and that if Mr. Joham or any other individual has any objection to the investigation he should not complain to us but to the Austrian Government.

3. *ECA Aid for Austria.* The ECA level of aid for Austria for 1952 is still undetermined. Telegrams received by the ECA here from

[3] This is a reference to an article by *New York Times* correspondent John MacCormac entitled "Banking Scandal Alleged in Vienna," which appeared in the *New York Times*, September 6, 1951, p. 16.

OSR in Paris indicate that the aid may not exceed $105,000,000, and it appears that this figure was discussed at a recent meeting of Deputy Chiefs of ECA meetings held in Paris. The most recent telegram from OSR in Paris (No. 462 September 15, repeated to the Department as No. 4618 [4]) reads as follows:

"If their estimated program cost of dollars 172-195 million can in fact be procured for dollars 100-120 million, then political consequences of lower aid figure might be exaggerated. Still appears that aid for Austria, within context congressional cuts in overall aid, will fall within that range. Appreciate considerations raised in paragraphs 7 and 8 reftel A and will give full weight in final determination of aid to Austria. In meanwhile prudence dictates that we prepare ourselves for worst. Bedrock screening absolutely necessary.

"Congressional cut in aid and future prospects places responsibility on Austrians to accelerate their own timetable for essential economic steps toward self support and solution their many economic problems."

I met on Monday of this week with Mr. Meyer and Mr. Thibodeaux for the purpose of reviewing the proposed aid program. It was agreed that ECA here should make a still further study of minimum aid requirements for 1952 and that this information should be telegraphed to Washington and Paris. The figure of $120,000,000 is low and insufficient according to our present calculations. The figure of $105,000,000 would be insufficient and might necessitate readjustments which would have the effect of increasing unemployment, especially during the winter months, and retarding the economic recovery of the country. It is very difficult to arrive at a firm figure for the current fiscal year in view of price rises and the uncertainties as to the coal situation. If the supply problem is not corrected and if Austria must continue to pay $30 or more a ton for coal landed in Austria, it might be necessary to use a major part of the suggested $105,000,000 aid for this purpose. I understand that our Army has been compelled to import coal from the United States at a laid down cost of approximately $38 a ton. I believe that a figure of $145,000,000 would be sufficient for Austria this year. Even then it would be necessary for Austria to make certain readjustments in the economy. It is about time for the Austrian Government to liberalize trade in this country and gradually eliminate some of the archaic economic laws, such as the cartel system, which I opposed in one of the recent sessions of the Allied Council. While we have taken advantage of every opportunity to inform the Austrian Government of our objections to monopolies, cartels and other impediments to free enterprise, the Government

[4] Not printed

has been very slow in attacking the problem and I do not look for any improvement in the near future. It is proper for us to continue to remind them of these weaknesses in their structure but in the final analysis they must assume the responsibility for the reforms. The "get tough" policy for Austria as advocated in some quarters is not the way to solve the problem. Instead, we should remind the Government that they can hardly expect our Government to continue to aid this country unless it takes steps to help itself, such as the elimination of the current restrictions on trade. I agree with you that we must not be influenced by the view of certain Government officials here that we will always bail them out. At the same time we must be careful, for military and strategic reasons, to avoid upsetting the balance here. Also, we must be tactful in our approaches to the Austrian Government and fair in our exactions of them since the coalition government is not strong and could fall apart on a major issue. This was demonstrated during the recent controversy over the dollar diversion investigation. If it had not been for the support that Figl received from the Socialist Party he would have been defeated, forced to resign, the People's Party would have suggested a new chancellor and shake-up in the Cabinet, some of whom might not have been acceptable to the Socialists, with the resultant break in the coalition. The position of the coalition is still precarious but barring some unforeseen major development I am inclined to believe that the coalition will endure, at least until 1952.

[Here follows Section 4, "Security Forces".]

5. *Printing Plants.* Campbell is still awaiting news from his organization about the printing plants. Any news?

6. *State Treaty.* The brief information received by us from the Department following the Foreign Minister's meetings indicates that the DFM's of the three Western Powers will meet shortly to consider the proposed abbreviated treaty and that this will be followed by a meeting of the four DFM's to review the treaty. Also, that if the Soviets refuse to accept the treaty, we will propose the abbreviated treaty. This is my understanding of the situation and if I am wrong I wish that you would put me straight. There is an intense interest here on the part of the Austrians in the treaty and I believe that it would be in our best interests, and in all fairness to the Austrian Government, to keep the top officials informed of our plans. I should like to suggest that Red Dowling participate in any future meeting of the DFM's. Dowling lives with the problem every day and could serve as an able assistant to Reber. How do you feel about it?

How about the police officer?

Nothing more at this time. I shall write to you again after the conference with General Irwin.

Sincerely yours,

WALTER

## No. 509

763.0221/9-2651. Airgram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, September 26, 1951.

A-218. At Washington mtgs FonMins agreed Aust occupation costs shld be discussed by their HICOM in Vienna. Presentation US case limited to outline of arguments and request in point one of Dept position paper WFM T-7/1a (sent Vienna Sept 5) Morrison replied flatly Brit required additional payments. Schuman said his Finance Min obdurate on this issue. [2]

You may wish to raise question with Brit and Fr HICOM and if their instrs have been recd to proceed on basis position paper. In tripartite discussions you shld present strongest case and seek to obtain as favorable settlement as possible. Arguments shld stress anticipated results of $105 million aid level, further reductions in Aust personnel (Dept not aware of Brit and Fr progress during and since take-over), unjustified uses of occupation costs such as purchases of Laenderbank stock (Legdes 345, Sept 4 [3]), onus Brit and

[1] Drafted by Rutter and cleared with Colladay, Williamson, Towsley of ECA, and Perkins. Repeated to London and Paris.

[2] At the fifth Tripartite Foreign Ministers meeting in Washington on the afternoon of September 13, the issue of occupation costs was briefly discussed. For text of the U.S. Minutes of that meeting, see vol. III, Part 1, p. 1279.

Point one of Department of State position paper WFM T-7/1a, August 22, reads as follows:

"Achievement of tripartite policy objectives in Austria rests largely on the avoidance of severe economic disturbances. Austrian political stability is endangered by deterioration of the Austrian economy because:

"a. The allotment of tripartite policy ECA aid to Austria will be cut from $200 million in 1950/51 to less than $145 million in 1951/52.

"b. Austria's deficit to the EPU, partially financed by the U.S., continues to be a drain on Austrian resources.

"c. Austrian efforts to decrease export of strategic materials to the East have increased its trade deficit.

"d. Recent wage-price agreement has increased the budgeted costs of the Austrian government by more than $100 million.

"Under these circumstances British and French should associate themselves with the U.S. in paying all occupation costs." (CFM files, lot M-88, box 158, WFM—Tripartite Talks, 1951)

[3] Not printed.

Fr will bear for increasing Aust burden at critical time, and unfavorable US reaction to indirect use of aid to pay occupation costs. Latter point particularly important in view of outspoken Congressional sentiments which have direct effect on aid legis and USFA budget. Reurtel 1082, Sept 21,[4] Dept also disturbed by Brit and Fr restrictions on imports from Aust but doubts effectiveness of connecting this issue to occupation costs except as last resort since reduction soft imports logical step now.

In view Schuman and Morrison adamant views, not likely that Brit and Fr will modify their demands. It may be ultimately necessary, therefore, to accept their position to avoid public tripartite rupture in Allied Council, but all negotiating tactics shld be utilized to hold costs to minimum and clear exposition US position shld be made in AC.

ACHESON

[4] Telegram 1082 informed the Department that the Legation and the ECA Mission both agreed that the Austrian trade deficit with the EPU area could be reduced if France and the United Kingdom were willing to accept more Austrian exports. (863.00R/9-2151)

## No. 510

763.0221/9-2851: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

CONFIDENTIAL VIENNA, September 28, 1951—7 p.m.

1173. At close of Allied Council session today [2] under item any other business, Sov HICOM read 55 page statement of charges against three Western Powers for remilitarization in West Zones. He charged failure to demilitarize Nazi armament plants, absorption of Aust industry into Marshall Plan rearmament drive, and creation of Aust mil force by means of special training to the *gendarmerie*, all in violation of control agreement and to economic impoverishment of Aust. Full text will be obtained and despatched to Dept as soon as possible.

Brit HICOM vigorously repudiated the Sov statement which he described as "effrontery" on part of Sov HICOM who had been commanding general responsible for remilitarization of Hungary in breach of satellite treaty. Brit HICOM concluded that evidence of

[1] Repeated to London, Moscow, and Paris.

[2] The minutes of this 155th meeting of the Allied Commission for Austria are in ALCO records, lot 62F9, box 114.

Sov insincerity lay in Sov refusal to relax travel controls on overall basis which has been proposed by West Powers earlier in meeting. French Deputy also made vigorous denial. US HICOM stated that the American word for such charges was expression "eye-wash". Reserved right to make his comments after opportunity read long Sov statement, and withheld agreement upon AC action at this time unless Sovs shld agree to make demilitarization inspection for all four zones without discrimination and with representatives Aust Govt attached to commission in order to verify how Aust money was being used or wasted as alleged by Sov. Authorized by General Irwin to extend personal invitation to General Sviridov which wld give latter opportunity to verify facts about so-called fortress at Siezenheim and to speak with so-called slave laborers from Burgenland. Brit and French likewise extended invitations on behalf their military commanders, but Sovs preferred to raise question again at Sov initiative in economic and mil directorates.

Preliminary opinion of three West HICOMs is that this Sov maneuver is intended to lay ground work for position they will adopt in treaty discussions, and secondly to provide ammunition for Commie members Aust Parliament. From course of discussion at AC, it is believed that Sov blast misfired so far as local propaganda concerned, and that proposal to extend investigation to Sov zone is effective reply. However we will endeavor to avoid any investigation commissions here which might be used to deter progress of treaty talks. [3]

DONNELLY

---

[3] Donnelly made a formal statement in answer to the Soviet charges of remilitarization of Austria during the Allied Council meeting of October 12, 1951. This statement is printed in Department of State *Bulletin*, October 29, 1951, pp. 691–692.

## No. 511

763.0221/10-351: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET NIACT WASHINGTON, October 24, 1951—6:05 p.m.

1041. Br and Fr reps presented Dept with similar *aide-mémoires* yesterday re occupation costs, [2] giving substantially same arguments as reported in Legs desp 500, Oct 3. [3] Each Govt requests 15 million schillings addition 1951 and total 200 million schillings, plus "escalator clause" for 1952. Br rep orally emphasized firmness of Br position.

Notes state subj will be discussed in AC Oct 26. Br note concluded "His Majesty's Govt attach great importance to reaching tripartite agreement on this matter and consider that it would be most unfortunate if the Brit and Fr High Commissioners in Vienna found themselves voting with the Soviet rep against the US rep."

Dept was not aware subj on agenda for Oct 26 mtg and believes subj shld not be discussed then. Neither Fr nor Br reps were aware tripartite technical discussions in Vienna (Legdesp [*Legtel*] 1145, Sept 27 [4]). Presume subj was placed on agenda by either Fr or Br in attempt to force US hand. In view recommendation at Wash FonMins mtg re discussions between HICOM in Vienna, this move seems most inappropriate. Dept desires you make every effort postpone discussion in AC for time being until HICOM can evaluate technical level findings apparently not completed.

Copies of *aides-mémoire* being airpouched today.

Paris and London Embs shld contact FonOffs in attempt to persuade latter to instruct their reps in Vienna to postpone AC discussion. [5]

ACHESON

---

[1] Drafted by Dawson and cleared with Williamson and Perkins. Repeated to London and Paris.

[2] A memorandum of this conversation and a copy of the *aides-mémoire* are in file 763.0221/10-2351.

[3] Despatch 500 described talks which took place in Vienna on September 27 concerning the technical details of occupation costs. (763.0221/10-351)

[4] Not printed.

[5] The Embassies in France and the United Kingdom both reported that the Foreign Offices in their respective countries were of the impression that the technical talks had gone as far as they could and that now it was time for the matter to be discussed by the Western High Commissioners. (Telegrams 2436 from Paris and 2035 from London, October 25, 763.0221/10-2551)

At the 157th meeting of the Allied Commission for Austria on October 26, the question of occupation costs was only briefly discussed during the closing minutes of the session. A record of this meeting is in ALCO records, lot 62F9, box 114.

## No. 512

763.0221/10-2451 Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, October 24, 1951—8 p.m.

1475. Legtel 1169 Sept 28 Legtel 1354 Oct 13. [2] Re further tactics for meeting Sov charges in AC on remilitarization in Aust West HICOMs agreed at meeting Oct 23 that any plan for investigation commissions should be killed at subsequent AC level without giving Sov propaganda advantage.

West HICOMs are committed in principle to investigating commission by their taking up Sov challenge at AC meeting of Sept 28 present text of Sov draft resolutions unacceptable as prejudging question remilitarization in West zones. Accordingly at forthcoming meetings of military and economic directorates, Sov element will be invited to state specifically what objects it wishes commission to investigate. West deputies will then present exhaustive list of USIA and military establishments in Sov's zone which we wish to investigate, and will offer alternative resolution applicable to remilitarization in Sov Zone as well as other parts Aust. This alternative resolution will offer little chance agreement at directorate or EXCO level and question will consequently reappear before AC Nov 9 or Nov 23. At that point West HICOMs will confirm fact that after thorough discussion of problem in AC machinery it has been impossible to obtain agreement on investigating commission, and that Sov unable present any conclusive evidence of remilitarization in West.

Until question appears again in AC, Sovs will be able to point to pending investigation of remilitarization in Aust in substantiation of charges they might bring in deputies discussion of treaty. West elements will therefore press the issues so that it will be brought before the AC at the earliest possible opportunity (Nov 9 or Nov 23). Once question has reached AC again, West treaty deputies will be able to state that charges of remilitarization were thoroughly investigated and discussed in Allied Commission machinery where Sovs unable substantiate charges and question disposed of.

DONNELLY

[1] Repeated to London, Moscow, Paris, and Frankfurt for Reber.

[2] Neither printed.

## No. 513

763.0221/10-2551: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, October 26, 1951—7:48 p.m.

1078. 1. Unless info in desps mentioned urtel 1493 [2] indicate to contrary, Dept believes will be impossible prevent Br and Fr from obtaining increase occupation cost for 1952 because of rigid stands being taken both Govs, and demands now made their budgets for rearmament and fulfillment NATO obligations. However, Dept seriously concerned over long-term implications approving such increases. Therefore, all measures short of open rupture in AC shld be used to persuade Fr and Br (1) forgo increases for 1951 or, (2) accept smaller increase for 1952, or both; also forego use escalator clause. Dept expects Br and Fr make some concessions from present positions.

2. Br and Fr shld be told they have real interest in stability produced in Aust by US aid program, and that further increases occupation costs may well jeopardize both aid Aust in 1952–53 and continuation present pay-as-you-go policy, as result Congressional reaction. Liberal payments received by Br and Fr in past have been possible through large US contributions to Aust econ, which stability was not thereby seriously affected. Reduction US aid, coupled with even larger demands by Fr and Br (and Sovs) may well jeopardize this stability. Success of an occupation substantially influenced by econ stability.

3. It shld also be pointed out that Sovs cld veto requested increases in AC and take position they are protecting Aust people from increase Western demands. Propaganda value such maneuver wld be extensive.

4. In attempt reach compromise you shld be convinced that additional funds granted to Br and Fr will be used exclusively for occupation purposes. In this connection as reported Legdesp 500 [3] are you convinced (1) 5,800 Aust employees minimum needed by Br? (2) Why should "pocket money" for Fr troops be paid from occupation costs? (3) Cld not Fr release domestic servants now paid from funds? These points shld be resolved at tripartite level and compro-

---

[1] Drafted by Dawson and cleared with Rutter, Williamson, and Perkins. Repeated to London and Paris.

[2] Telegram 1493 described the British position with regard to occupation costs and their recommendation, for the Allied Council meeting of October 26, that the question of arrears be separated from the question of payments for the current year. (763.0221/10-2551)

[3] Not printed, but see footnote 3, Document 511.

mise, or ultimate US acquiescence shld occur in tripartite discussions rather than open subj for debate in AC. When matter comes to AC, while not vetoing requested increases, US shld make statement decrying request for additional funds and imposition new burdens on Aust people. This point particularly important if Sovs shld veto increases.

5. Paris and London Embs shld immed bring substance paras 2 and 3 to attention FonOffs.

WEBB

## No. 514

763.0221/11-951: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET PRIORITY WASHINGTON, November 13, 1951—7:11 p.m.

1223. Legtel 1687 Nov 9 not rptd London and Paris. [2] Dept concerned four Deputy HICOMs will discuss occupation costs before tripartite understanding reached which takes into account possibility of Sov or Aust counteraction. Dept agrees confirmation of Sov dismissal Aust occupation personnel (Legtel 1679 Nov 9 rptd Paris 171 [3]) and publicity for Aust Govt plan to stop censorship funds enhances chances Sovs embarrass Brit and Fr by voting against increased 1951 allocations. Easy Sov access to other sources revenue and fact their occupation costs always lower than Brit and Fr also favor these tactics. Sovs doubtless aware Aust desire to air issue in Parl especially to emphasize present budget crisis caused by occupation rather than by Factors Austs control. If subj debated publicly Aust leaders cld be expected to examine legal basis for costs and relation of costs to occupation functions and to attack high Brit personnel costs compared to Sovs and dubious Fr expenditures such as Laenderbank stock, indemnity for devaluation losses and pocket money for Fr soldiers. Dept aware no quadripartite precedent exists for accountability but inserted requirement in WFM position

[1] Drafted by Rutter and cleared with Dawson and Williamson. Repeated to London and Paris.

[2] Telegram 1687 summarized a meeting of the Western High Commissioners on November 8 in which Donnelly reiterated the U.S. position. Preparations were made at this meeting for a meeting of the Deputy High Commissioners on November 14 to again consider this problem (763.0221/11-951)

[3] Telegram 1679 reported that Soviet dismissals were believed to number several hundred. (863.06/11-951)

paper [4] to make clear US cannot support compensation for costs not directly related to occupation.

If possible before Nov 14 mtg suggest you discuss these factors with Caccia and Payart stressing difficulties we face in supporting them in case Sovs execute *volte face* or Austs insist on airing issue in Parl because of embarrassment this subj has caused us and will cause us on overall aid program. We also do not favor separate Aust allocation for Brit and Fr unless sure procedure found to guarantee this info does not become public knowledge. Your statement Legtel 1687 you lack auth to agree increase interpreted here to mean you will await Sov comment and results increased pressure on Brit and Fr since Deptel 1078 Oct 26 [5] permits you to settle rather than force Brit or Fr into unilateral action, or withdrawal of forces.

WEBB

[4] The Department of State position paper under reference is WFM T-7/1a of August 22; see footnote 2, Document 509.

[5] Document 513.

## No. 515

ECA message files, FRC 53A278, Vienna Telegram

*The Acting Administrator for Economic Cooperation (Bissell) to the ECA Mission in Austria* [1]

SECRET WASHINGTON, November 14, 1951—8:48 p.m.

Ecato 682. Subject—1951/52 Program.

1. Disturbed by *N.Y. Times* Nov 9 1951 article [2] Vienna dateline which states: "Aust which had applied for $190 mil of Marshall Plan aid during FY 1951/52 and had been cut to $106 mil is to get an additional $25 to $30 mil from Wash but on new basis of 'good behavior' ". Article also says "allocations of ECA were supposed to be made on basis performance and need. In practice impossible define these terms. New policy may be described as granting basic allocation to meet minimum requirements which can then be increased when obvious that allocation being efficiently used." Article further discusses present Aust export picture credit restrictions and productivity team.

[1] Repeated to Paris for OSR.

[2] The article under reference, "Austria to Get Added $25,000,000 ECA Aid on New Basis of Economic 'Good Behavior'," appeared in the *New York Times*, November 9, 1951, p. 7. The credit line read: "Special to the *New York Times*."

2. *Times* story appears to be misinterpretation of Ecato 653, rptd Torep 8328. [3] Primary purpose that cable to inform you of aid level programmed for Aust within present availabilities economic assistance funds and amount of additional assistance being considered in the event maximum possible transfer MDA funds achieved; also, to emphasize fact that Aust aid placed in new context to extent that she benefited from MDA transfer. For latter reason, question of positive results to be obtained from diversion additional funds to Aust becomes more urgent consideration than heretofore.

3. For the present and until such time as decision on transfer MDA funds is made, we are limited for programming purposes to Model One figure of $105 mil. Because we regard this as inadequate to sustain Aust economy at minimum acceptable level, we have tentatively concluded that further discussions with Austs on annual aid figure should be postponed until transfer decision made. We were particularly anxious to avoid polit repercussions and loss of public confidence which would flow from discussing and publicizing lower figure if favorable transfer decision would ultimately permit higher aid level. For these reasons, consider *Times* story unfortunate and hope that Mission will take necessary steps to correct misapprehensions resulting therefrom without in any way committing U.S. on level of aid figure. In this connection believe you shld continue to insist on Austs submission of program based on $120 mil aid figure. Interim allotment now in process will insure continued flow minimum quantities coal and agricultural commodities pending establishment firm aid figure for year.

4. Wld appreciate being informed Aust press and Aust govt reaction to *Times* story. [4]

BISSELL

---

[3] Telegram Ecato 653 outlined to the ECA Mission in Austria the two models for alternative levels of economic aid for fiscal year 1952 and asked the Mission for its recommendations as to the desirable level of aid in light of the "extreme difficulty justifying any increase at expense of defense capabilities NATO countries." (ECA message files, FRC 53A278, Vienna)

[4] In telegram Toeca 878 from Vienna, November 20, Meyer informed ECA/W that the Austrian press did not pick up the MacCormac story. (ECA message files, FRC 53A278, Vienna)

## No. 516

763.0221/11-2051: Telegram

*The United States Delegation at the Tripartite Foreign Ministers Meeting to the Acting Secretary of State* [1]

SECRET PARIS, November 20, 1951—6 p.m.

3013. On occasion his conversation with Secretary [2] yesterday (Embtel 3001, Nov 20 [3]), Gruber [4] also brought up question of occupation costs. He emphasized importance from point of view Austrian Parliament and public opinion of arriving at situation where Western Powers will clearly have "protecting forces" in Austria, as distinguished from Soviet occupation forces. Gruber emphasized in this connection efforts which Austria is making to cooperate with Western allies in their function of protection.

Secretary remarked that question extremely difficult in view Brit and French financial crises.

Gruber then said that if Brit and Fr wld renounce occupation costs and follow pattern set by US, Austrians cld give them "about the same amount" under the table, if the US were agreeable. For instance, Austrians cld build housing for Brit and Fr Forces and "rent it to them free of charge." Morally, he said, Austria wld gain by such operations which wld isolate Soviets and permit quadripartite action in Allied Council to reduce their occupation costs.

Secretary inquired whether Gruber perceived danger to quadripartite mechanism in Austria from such procedure. He said US wld wish to give further study to his proposal.

Perkins remarked that US Senate has in past shown great interest in whether Brit and Fr have financial benefits in Germany that do not extend to U.S. If situation were to exist in Austria where all three Western Powers had renounced occupation costs, but two of them were receiving benefits that wld not extend to US, incongruousness of such situation might well attract congressional criticism.

---

[1] Repeated to Bonn, London, and Vienna.

[2] Secretary of State Acheson was in Paris to attend the Sixth Session of the U.N. General Assembly and to hold a series of conferences with the Foreign Ministers of the United Kingdom and France.

[3] Document 583.

[4] Gruber was in Paris for a meeting of the OEEC.

## No. 517

*Editorial Note*

On November 8, the Department of State instructed the Legation in Austria to request the Austrian Government to accept the elevation in rank of Walter J. Donnelly from Minister to Ambassador. The Austrian Government accepted this proposal on the following day and the Department officially announced the change on November 12. A law authorizing the representatives of the four occupying powers to be elevated in rank to Ambassadors was approved by the Allied Council on November 23 and the credentials of the various diplomats were exchanged during the following weeks. The notice concerning this change appeared in Department of State *Bulletin*, November 19, 1951, page 833.

---

## No. 518

763.0221/11-2651

*The United States High Commissioner for Austria (Donnelly) to the Deputy Director of the Office of Western European Affairs (Williamson)*

SECRET VIENNA, November 26, 1951.

DEAR FRANCIS: I telegraphed the Department on November 23rd following a meeting of the four High Commissioners on the increase in occupation costs for 1951. [1] They agreed upon a figure of 11,000,000 schillings for each element, which was made subject by the British High Commissioner to the approval of the British Foreign Office.

Red Dowling had met with the Deputy High Commissioners earlier in the week, the result of which was the Soviets held off for 17 millions, the British 15 millions, the French 12 millions, and we indicated we might go to 10,000,000 schillings. [2] At the meeting of the HC's the other three High Commissioners maintained their positions until the French suggested a compromise. My position during the meeting was to deny the Soviets as much money as possible without prejudicing the British and French. The outcome of the meeting was that we agreed upon the figure of 11,000,000 schil-

---

[1] A report of the 2-hour session on November 23 was sent in telegram 1827 from Vienna, November 23. (763.0221/11-2351)

[2] The Deputy High Commissioners met in Vienna on November 19 and 20. A report of these meetings was sent in telegram 1806 from Vienna, November 23. (763.0221/11-2351)

lings. The British were visibly disappointed, having expected a figure of not less than 12,000,000. The French, I believe, would have accepted less than 11,000,000 but it was quite obvious that the British would not go below this figure, and to prevent a sharp disagreement I finally compromised on 11,000,000 which the Soviets accepted, but only after the British and French talked to them aside. Throughout the meeting the Soviets indicated they would accept whatever figure was agreeable to the British. Following the meeting the Soviet High Commissioner commented to our interpreter that "it makes very little difference because the Austrian Government will have to pay the light, gas and other bills of public utilities". He may have meant by this that they had ways and means of obtaining the 15 or 17,000,000 schillings regardless of the decision taken at the meeting.

At the end of the meeting the British High Commissioner suggested to me that we meet following the next AC meeting on November 30th to discuss occupation costs for 1952. I reminded him of the prior agreement with the British and French that we would first consult the military commanders of our forces in Austria so as to find out how they could cooperate with us in meeting 1952 costs without giving additional funds to the Soviets. He agreed and the meeting with the military will take place on November 30th following the AC meeting.

The British continue to be very stubborn in the matter of occupation costs.

Sincerely yours,

WALT

---

## No. 519

763.5-MSP/11-2951

*Memorandum by the Deputy Director of the Office of Western European Affairs (Williamson) to the Deputy Assistant Secretary of State for European Affairs (Bonbright)*

SECRET WASHINGTON, November 29, 1951.

Subject: Austrian Aid Program.

I wish to call your attention to the attached memorandum concerning the problem of additional aid for Austria for the fiscal year 1952. It is apparent from this memorandum and other contacts that we have had with ECA that the Austrian program stands exactly where it stood a year ago when the ECA initiated its so-called "get tough policy". WE has pointed out in a paper which is now in

your office that the situation in Austria is reasonably explosive and that it is impossible at this stage of the game to use Austrian aid in order to test the economic theories and objectives of the ECA. There has been a great deal of discussion on this problem in Austria and, despite the low esteem in which the ECA holds the Austrian Government, the area involved still remains an occupied area on the military frontier which does not admit of the same system of administration utilized in the more fortunate states of Western Europe. Finally, the ECA in Washington does not keep its mission in Vienna adequately informed of the development of this program and, consequently, an entire series of conflicting commitments have been made to the Austrian Government.

On the basis of the foregoing I would like to urge that the following steps be taken: (1) that the paper on Austria be distributed to the various government agencies dealing with this problem, and; (2) that Ben Thibodeaux be called back for consultation in order that we may straighten out this situation before the end of fiscal 52.

[Attachment]

*Memorandum Prepared by the Office of Western European Affairs*

SECRET [WASHINGTON,] November 17, 1951.

AUSTRIAN AID PROGRAM FISCAL YEAR 1951/52

The ISAC letter of October 12, 1951 to the President and the accompanying ECA analysis of FY 1952 Requirements for Economic Support Under Title I of the Mutual Security Act [1] present briefly the arguments for an increase of the Austrian figure from $105 million (Model I) to $130 million (Model II). In this paper the Department of State desires to show: (1) the anticipated weakening of Austrian political stability in the event Austria does not receive as a minimum the Model II aid figure of $130 million; and (2) the special case of Austria with respect to other Western European countries.

In FY 1951 Austria received total aid of $202 million. During initial discussions of FY 1952 aid both the High Commissioner and

[1] The ISAC letter and the attached ECA analysis were drafted in response to an inquiry from the President on September 24 concerning the administration of funds under Title I of the Mutual Security Act. The draft of the ISAC letter, circulated as ISAC D-25/3c, is in ISAC lot file, lot 53D443, box 125. The final copy, sent to the President on October 16, is in Secretary's Memoranda, lot 53D444, Memoranda for the President.

the ECA Mission in Vienna proposed aid of $185 million. In anticipation of internal reforms which ECA/W believed the Austrian Government could carry out, ECA was prepared to recommend an aid figure of $145 million to the Congress. In view of expected Congressional reduction in aid, the ECA Mission in Vienna, early in September, asked the Austrian Government to prepare a 1952 program on the basis of $120 million annual aid. The Government replied it could not accept the consequences of a program below $144 million. Later that month in its presentation to Congress ECA reduced its proposed aid figure to $105 million. The Department did not approve the $105 million figure. In defending this figure, Mr. Bissell pointed out to Congress the danger involved in an aid program which would result in a sharp cut in investment, consumption and production. He stressed the effects of such a cut at a time of declining Ruhr coal deliveries and in the face of Poland's threat to cut-off her coal deliveries if Austria should stop ball bearing deliveries. Subsequently, ECA recognized the gravity of the situation by stating in its analysis, attached to the ISAC letter, that $130 million is a minimum aid figure if Soviet attempts to achieve an economic and political penetration are to be contained.

Recent economic developments emphasize that the $130 million figure recommended by ECA is a minimum aid requirement for fiscal 1952:

(1) *Inflation*—Inflationary pressures within the Austrian economy continue to increase with a resultant further decline in real wages, increased capital flight, widening budgetary deficit, weakening of the schilling (black market quotations for the dollar jumped from 30 schillings to 35 schillings in October), and a threat of devaluation.

(2) *Coal*—At an aid level of $105 it will be impossible to include sufficient United States coal deliveries and thus decrease Austria dependence on Polish coal. This, of course, will not permit a strengthening of Austria's bargaining position with Poland concerning the shipment of strategic materials demanded by that country.

(3) *Unemployment*—While summer unemployed reached a postwar low of less than 70,000 out of a labor force of over 2,000,000, latest estimates based on an aid level of $145, indicate that the winter level may climb to 250,000, or higher. With an aid level of $105 unemployment would be substantially higher. Unemployment will be particularly heavy in the powerful construction workers union, and to the extent it occurs in Vienna and the Soviet Zone, will be more serious than would be expected from a comparable level of unemployment in other parts of Western Europe.

(4) *Food Supplies*—Distrust of the economic situation has caused Austrian farmers to fall behind in grain deliveries to market and may cause them to withhold potatoes, the most important item in the Austrian diet. It is possible the Government will not be able to

induce the farmers to deliver sufficient foodstuffs to the urban population and the Government lacks the power to coerce the farmers. Under these conditions Austrian food consumption in urban areas will be reduced, a situation which may lead to public demonstrations against the Government.

In addition to these economic factors, the following political considerations support the conclusion that Austrian aid should be raised from $105 million to $130 million:

(1) Since Austria is not a member of NATO, it can make only an indirect contribution to Western defense. Nevertheless, its very existence as a Nation friendly to the West serves as a valuable shield to the NATO countries.

(2) United States policy towards the middle-of-the-road Austrian Government with respect to aid will be a matter of serious consideration to the Governments of other Western European countries, particularly West Germany.

(3) In September–October, 1950, at the time of the 4th wage-price agreement, the Communist Party with direct backing from the Soviets organized serious disturbances which were checked by the unity and courage of the free trade unions and the Government. The Communists did not attempt to repeat these efforts to discredit and weaken the authority of the Austrian Government at the time of the 5th wage-price agreement last July because the Austrian public understood the necessity for this action. But in the event of a 6th wage-price agreement this coming winter a real danger exists that the Communists will be able to capitalize upon mounting public resentment against the Government to foment serious public disorders.

(4) The increased prospect of political disturbances also menace the security of British, French and the United States occupation forces in Austria. In September, 1950, the United States was prepared to use troops to quell disturbances. If public disturbances should produce conditions beyond the capacity of Austrian police to control, the military commanders of the Western powers may be forced to employ troops for this purpose.

(5) Worsening economic conditions may force the Austrian Government to make trade concessions to the Soviet bloc. These may take the form of (1) larger deliveries of strategic materials in return for coal and food, thus circumventing United States East-West trade controls, and (2) increased barter trade with the East when Austrian exports become too expensive for sale in the West.

(6) Austria has a democratic and stable coalition Government. This Government, however, has rarely been able to take decisive action on important matters in dispute between the coalition partners. There is no reason to believe it can achieve the drastic internal reforms needed to remedy Austria's economic situation in time to affect the situation in this fiscal year.

*Conclusion*—Austrian aid in the amount of $105 million will not be sufficient to preserve United States security interests in Austria. If this figure cannot be raised by $25 million to a minimum of

$130 million, the Department deems it quite possible or even probable that the Austrian economy will deteriorate to such an extent as seriously to weaken political stability through Communist inspired public disturbances supported by the Soviets. This will result in the inability of the coalition Government to exercise effective authority, and threaten the security of United States occupation forces.

The Department is aware of the difficulties involved in alloting an additional $25 million of aid because Austria is not a NATO member. It is noted that Austria will not be included in the TCC determinations and that it will be very difficult to establish the applicability to Austria of the 10 percent transferability clause in the Mutual Security Act. For the reasons above, however, the Department considers it necessary to determine the availability of funds and the method of their transfer to the Austrian aid program. One suggestion is that the $25 million be taken from the $130 million fund left for contingencies by ECA after Model I allotments were made.

---

## No. 520

763.0221/11-3051: Telegram

*The Acting Secretary of State to the Embassy in Austria* [1]

SECRET WASHINGTON, December 5, 1951—7:04 p.m.

1416. Reurtel 1882, Nov 29 [2] Dept urges you to exert maximum pressure on Brit and Fr prior quadripartite discussion but doubts if arbitrary distinction can be drawn between occupation and defense functions of tripartite forces in Aust. Hope Brit and Fr approval your plan (Legtel 1903, Nov 30 [3]) not predicated on US bearing defense costs in some way since no reason to believe this can be done. As counter to Brit and Fr argument that Aust shld bear fair share of West defense it seems more cogent to reason (1) Aust already paying share in form of onerous Sov exactions from Aust econ in addition to allocations for occupation costs, (2) US public opinion does not understand why US pays entire bill for keeping Aust out

---

[1] Drafted by Rutter and cleared by Williamson.

[2] Telegram 1882 reported Donnelly's suggestion to the French and British High Commissioners on November 29 that they consider separating costs directly chargeable to occupation requirements from costs which could be considered of defense nature. (763.0221/11-2951)

[3] Telegram 1903 informed the Department of State that the French and British High Commissioners expressed enthusiasm for separating costs along the lines recommended by Donnelly during a meeting of the three Western High Commissioners on November 30. (763.0221/11-3051)

of Sov bloc. Therefore they shld assume part of costs needed to achieve their security objectives in area as they are now doing in Yugo. Dept does not believe threat to withdraw forces since these wld be more expensive to maintain at home than in Aust.

Dept does not recommend this issue be discussed quadripartitely but continues to believe weakness of Brit and Fr position is failure to render accounting for occupation expenditures paid for by Aust and sees no further reason to spare Brit and Fr feelings on non-occupation or luxury expenditures. Feel sure Finan Min wld be glad to provide additional instances of dubious practices.

WEBB

---

## No. 521

124.633/12-651 Telegram

*The Deputy United States High Commissioner for Austria (Dowling) to the Secretary of State* [1]

CONFIDENTIAL PRIORITY VIENNA, December 6, 1951—3 p.m.

1956. 1. This joint Embassy-ECA msg in interim reply Deptel 1393, rptd info Paris 3297 [2] and in supplementation Torep 1058, rptd Toeca 905 [3] and Embtel 1912. [4]

2. MacCormac article [5] a regrettable misinterpretation which was necessary to correct with immed press release transmitted Toeca 905. No policy or operating differences exist here as purported by MacCormac. Rather, ECA Mission and Embassy have developed close work relations and unified approach to major econ issues in Aust.

---

[1] Repeated to Paris for OSR.

[2] Telegram 1393 informed the Embassy of a front-page article by John MacCormac, which appeared in the *New York Times* of December 3, concerning drastic personnel changes in the ECA Mission in Austria. MacCormac claimed that these changes were caused by radical policy differences between ECA and Department of State personnel and that those who advocated stricter U.S. control over Austrian aid and over Austria's East-West trade were either fired or transferred. (124.633/12-351)

[3] Telegram Torep 1058 transmitted to ECA/W the text of a statement issued by Meyer concerning the staff reduction of the mission in Austria. Meyer's statement cited the requirements of the Mutual Security Act as the reason for the reduction in personnel and concluded with the observation that this reduction "implies no change in policy nor direction of the work of the United States economic mission to Austria." (ECA message files, FRC 53A278, Vienna)

[4] Not printed.

[5] Regarding MacCormac's article of September 6, see footnote 3, Document 508; regarding his article of November 9, see telegram Ecato 682 to Vienna, Document 515.

[Here follow several paragraphs dealing with personnel changes in the ECA Mission necessitated by the 10 percent decrease in staff stipulated in the Mutual Security Act, Section 504D.]

6. Source of MacCormac info not definitely known but we have strong suspicions which may be able to verify within few days. Except for Kerekes, statements obtained from personnel named in article and others in process of transfer who are now in Vienna that they are either not acquainted with MacCormac or have not been consulted by him on subj of article. Moreover, most personnel in process transfer completely unacquainted with policy questions discussed by MacCormac. Kerekes presently on visit to Paris since Dec. 2 and will be queried upon return this week. Neither Meyer nor Dowling in Donnelly absence were consulted directly by MacCormac. He cld easily have ascertained facts in situation if he had done this. Statement attributed to Meyer in MacCormac article apparently added as postscript after ECA info officer learned of despatch from MacCormac, obtained Meyer reaction and passed it on to MacCormac.

7. Failure MacCormac consult responsible officials of US element characteristic his tactics past year of depending upon surreptitious sources. MacCormac has repeatedly been invited obtain his info directly from responsible leaders here but apparently his choice has been to produce sensational info however erroneous and embarrassing to US element, which cannot always publicly refute his allegations. Cases in point are his articles in *Times* International Edition such as of Jun 11 re US policy in extending aid to Aust; of Sept 6 re accounting investigation; and of Nov 9 on level of 1951/52 aid for Aust. [6]

8. Additional info will be transmitted as available. In meantime, wld appreciate info as to reaction to "dismissals" article in US.

9. Msg classified "secret" by reason references. Contents may be used by Dept and ECA/Wash however, as deemed appropriate.

DOWLING

---

[6] In telegram 1502 to Vienna, December 13 the Department of State informed the Embassy that there was no further mention of MacCormac's article in the press or at Department press conferences. (124.633/12-651)

## No. 522

763.0221/12-2851: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, December 28, 1951—1 a.m.

2148. Upon his return from London, Caccia informed me that UK FonOff had rejected his occupation cost proposal outlined Embtel 2050, Dec 14 [2] for provisional quadripartite agreement on 151 million schillings for element for 1952. Fr HICOM subsequently informed me that he was likewise unable to agree to this proposal.

Caccia explained that while Eden was not familiar with details of occupation cost problem, he was firm that Brit Govt "cld not assume any additional financial obligations at this time." Instructions from FonOff were explicit, however, that proposal cld not be accepted and that Caccia must attempt in quadripartite mtg to obtain full sum of 200 million schillings for Brit element. Re Caccia's comments that US element attached importance to further attempt obtain tripartite agreement and that in US view quadripartite discussion at this time might serve merely to firm up Sov demands and result only in breakup of quadripartite allocations. FonOff stated:

"We ourselves attach importance to the maintenance of tripartite agreement and of the quadripartite machinery. We shld, however, leave the Amers in no doubt that if their insistence on an unrealistically low figure were to lead to a breakdown of this machinery they wld have gained little and lost much. Logic of their present policy is to involve their allies in unacceptable overseas expenditure, with no certainty that this wld in fact prevent the Russians from extorting more from the Austs on their own account—in doing so (i.e. demanding 200 millions and the usual escalator clause) we shld hope that Caccia wld speak to his US colleague in the sense of the para above, and make it clear that there can be no question of our accepting a lower figure in the hope that the gap will be filled either by a further contribution from the Austs or by Amer aid in an acceptable form as past experience has shown that neither wld be forthcoming."

(From this statement, Caccia courteously excised fol before giving me above extract. "We cannot agree to bear any additional expenditure simply in order to help the Amer sweeten their internal polit

---

[1] Repeated to Paris.

[2] Telegram 2050 described the escalator clause proposed by the British High Commissioner which set the total amount of occupation costs for 1952 at the same level as 1951 (151 million schillings per element), but reserved the right of the Allied Council to call for a supplemental allocation if necessary. (763.0221/12-1451)

scene." This last refers, we assume, to our argument that it wld be unreasonable for US admin to grant Aust ECA assistance even in reduced amount of $120 million this year and at the same time sanction increase in Sc · occupation costs to 200 million schillings, equivalent to approx $8 million.)

From foregoing and from attitude Fr element here, it seems depressingly clear that neither Brit nor Fr Govt is concerned re increased allocations to Sovs. We can understand their failure to give consideration to impact on Aust econ of increases for themselves and in fact this attitude can perhaps be excused in the light of econ difficulties now plaguing both UK and Fr, especially as they have from beginning of occupation regarded support of Aust econ as US problem. I am convinced that both Brit and Fr can effect economies in their organizations here, but at same time I have made it clear to both HICOMs that I am prepared to support reasonable increases for their requirements, in spite of my view that it may be difficult in the year ahead of us to maintain Aust econ and political stability with the smaller resources available, and provided only that such increases are not granted to Sovs. Especially now that Austs are apparently becoming concerned re econ difficulties facing them and we shall in course of next several months be endeavoring to persuade them to adopt reforms which will be politically difficult, I do not see how we can over-ride their views (Embtel 2017, Dec 12 [3]) and join in increased quadripartite allocations to all three elements. I therefore recommend that we inform Brit and Fr that we will definitely not agree to quadripartite allocation in excess of 1951 figures, even though this shld mean break up of quadripartite allocations; that we are prepared instead to join with them in attempting to work out mutually satisfactory bilateral arrangements with Aust Gov; but that in view of increasing econ difficulties here, we wld in no event bring pressure upon Aust Govt to pay full amounts now being demanded.

In accordance gen accepted practices, I can hardly continue to refuse to discuss occupation costs if other three elements desire and I have therefore tentatively agreed with Brit and Fr to mtg on Jan 3. Wld be grateful if Dept's views cld be recd before that date.

DONNELLY

---

[3] Telegram 2017 reported that Gruber was "extremely disturbed" to learn of the British and French proposals for 1952 occupation costs. Gruber informed Donnelly that a "certain member" of the Cabinet was of the opinion that if the British and French persist in their demands, the Austrian Government should ask them to leave Austria and let the United States take over their zones of occupation. (763.0221/12-1251)

## No. 523

763.0221/12-2951

*Memorandum by Peter Rutter of the Office of Western European Affairs to the Deputy Director of That Office (Williamson)*

SECRET WASHINGTON, December 29, 1951.

Subject: Ambassador Donnelly's Recommendations on Occupation Costs

Ambassador Donnelly's recommendations on occupation costs contained in Embtel 2148, December 28 [1] represent a complete break with previous U.S. policy on this subject. The position that we will not agree to any quadripartite allocations above 151 million schillings for each Power in 1952 affords an answer to American criticism of the system as now administered. It does not, however, offer any solution for the problem which continues to face us.

For six years our occupation cost policy has had three objectives. (1) strengthening the Austrian economy; (2) reducing unilateral Soviet spoliation of Austria; (3) decreasing U.S. aid. If the Department accepts Ambassador Donnelly's recommendation we will do nothing to further these objectives and in fact may very well be confronted with a worsening situation. In the absence of U.S. agreement it can be expected that the French and British will demand from the Austrians 220 and 200 million schillings respectively. The Soviets may settle at this level or demand additional funds. We then will be placed in the position of a disinterested spectator or will be asked by the Austrians to support their efforts to resist these demands. The latter policy would signify an Austrian attempt to revise quadripartite custom, a step which the French and British could be expected to reject vociferously and one which the Soviets would be glad to exploit.

Furthermore once there has been a public tripartite rupture on occupation costs, it will be very difficult to make any special arrangement of the sort Mr. Donnelly contemplates even in the unlikely event that funds should be available to hand the British and French under the table.

The policy recommended by Vienna may thus be said to have temporary propaganda effect but offers no long-term advantages. If we are prepared to go so far as a tripartite rupture we can certainly demand quadripartite accounting of occupation costs. The first step in accounting would be to propose a formula for the kind of

---

[1] *Supra.*

costs which Austria properly could be expected to pay. All additional costs should be at the expense of each occupying Power.

I think the advantages of such a proposal are obvious. By the adoption of a sound accounting system public opinion both in this country and in Austria would at least understand what has hitherto been a highly esoteric subject. If the system were limited to payment for officially-requested office space, employment of Austrians on official duties, official transportation and communication expenses and the costs of the Allied Commission, a sharp drop in occupation costs could be expected. Also the low Soviet costs would become plain.

There is no reason to believe that the French and British and the Soviets would accept such a proposal; on the other hand, they will not accept Mr. Donnelly's proposal, and my own proposal offers the U.S. a flexible position which could lead to a settlement more to our liking than the one now in prospect.

---

## No. 524

763.0221/12-2851: Telegram

*The Secretary of State to the Embassy in Austria* [1]

SECRET PRIORITY WASHINGTON, January 2, 1952—7:02 p.m.

1649. Dept concurs ur proposal continue discuss occupation costs with Brit and Fr (Embtel 2148 Dec 28 rptd London 129 Paris 221 [2]). Proposal outlined Embtel 2050 Dec 14 [3] for allocation 151 million schillings with escalator clause seems reasonable basis for agreement. In view Brit and Fr rejection that proposal and assuming Aust Govt still takes position it wld prefer no quadripartite agreement if costs cannot be kept within 1951 limits (Embtel 1882 Nov 29 [4]) agree ur analysis situation and recommendation inform Brit and Fr US cannot agree allocation in excess 1951 figures. Dept continues believe Brit and Fr cld keep expenditures within 1951 limitations if they wld seriously endeavor to do so by exercising reasonable economies. Contrary to Brit statement that their efforts to economize wld serve simply to sweeten US internal polit scene attacks such as one recently made by Sen Ellender (Deptel 1604 Dec

---

[1] Drafted by Allen and Rutter and cleared with Williamson, Bonbright, and Perkins. Repeated to London and Paris.

[2] Document 522.

[3] Not printed, but see footnote 2, *ibid.*

[4] Not printed, but see footnote 2, Document 520.

26 [5]) are aimed primarily at Brit and Fr and any increase occupation costs allocations to them at this time wld provide fresh ammunition for attack and increase sentiment to reduce aid for themselves as well as Aust. Brit and Fr shld be just as interested as we in maintaining Aust polit and econ stability which wld be endangered by drastic reduction aid.

Dept concerned that open rupture wld end US participation in allocations without reducing costs. Hence strongly recommends that before taking firm position referred to above you propose relating occupation costs to performance of occupation function as intermediate position between grant of their demands and outright rupture. Basis for transition to accounting system whereby occupying powers justify need for funds derived from status of Aust as liberated country and its democratic development. Initial step in process wld be quadripartite acceptance formula whereby each power receives funds to cover only expenditures for official occupation functions. Disbursals shld be restricted to rents and maintenance for official office space but not dwellings, salaries of Austs employed officially but excluding dipl and info personnel and servants, official transportation and communication expenses and quadripartite costs. Additional expense wld be borne by occupying powers. Relating costs to occupation function in this fashion wld reduce burden on Aust economy, probably be supported by Aust Govt and cld be explained to Aust and US public opinion far better than present system.

ACHESON

---

[5] Telegram 1604 reported that a *New York Times* article stated that Senator Ellender of Louisiana had invited Figl to visit the United States in order to support Ellender's charge that the American taxpayers were being milked by Russia, France, and the United Kingdom, who were draining dollars from Austria that the United States originally contributed to rebuild that nation's economy. (033.6311/12-2651)

## PARTICIPATION OF THE UNITED STATES IN THE NEGOTIATIONS FOR AN AUSTRIAN STATE TREATY [1]

## No. 525

CFM files, lot M–88, box 157, RPTS series

*Policy Review Paper Prepared in the Department of State* [2]

TOP SECRET
RPTS D–3/1e

[WASHINGTON,] January 23, 1951.

### AUSTRIAN TREATY

#### 1. STATEMENT OF THE ISSUE

Position to be taken by the United States on the Austrian Treaty in possible talks with the USSR.

#### 2. BACKGROUND

The four Powers have been negotiating on a State Treaty for Austria since January, 1947. On November 1, 1943, the United States, Great Britain and the Union of Soviet Socialist Republics issued the so-called "Moscow Declaration", stating that they desired to see reestablished a "free and independent" Austria, in order to "reopen the way for the Austrian people . . . to find that political and economic security which is the only basis for lasting peace". [3] Since the end of the war the United States has tried to implement this declaration. Its implementation has been prevented by the Soviet Union, which in 1946 delayed the beginning of treaty negotiations, in 1947 and 1948 prevented agreement by excessive demands which would have threatened Austria's independence, and since December, 1949, has avoided discussion of concrete issues by a series of stalling devices.

In June, 1949, the CFM reached agreement on the most difficult and important Treaty issues, disposal of German assets in eastern Austria and Yugoslav demands for reparations and for territory in Carinthia. The Soviets abandoned their support of the Yugoslav demands and agreed to recognize Austria's pre-1938 boundaries. The

---

[1] Continued from *Foreign Relations*, 1950, vol. IV, pp. 430 ff.

[2] This paper is one of a series of background studies entitled "Policy Review for Possible Talks with the Soviets" (RPTS) which were prepared by a Steering Group within the Department of State in late 1950 and early 1951. Series RPTS D–3 dealt with various aspects of the Austrian treaty question; all recommended changes were incorporated in the final version numbered D–3/1e and dated January 23. Copies of the entire RPTS series are in CFM files, lot M–88, box 157.

[3] The Moscow Declaration of November 1, 1943, is printed in *Foreign Relations*, 1943, vol. I, pp. 749–770; in which the Declaration on Austria is included as annex 6.

Western Powers agreed that in implementation of the Potsdam agreement, allowing the USSR partially to satisfy its reparations claims against Germany by removals of German assets in the Soviet zone of Austria, the Soviet Union would be allowed to keep a large percentage of the oil and Danube Shipping properties in eastern Austria and would surrender all other properties claimed by them as German assets in exchange for a lump sum payment of $150 million.

By December, 1949, the details implementing this decision had been worked out and the crucial Article 35, on German assets, was finally agreed. Only five comparatively minor articles remained unagreed: Articles 16, 27, 42, 48, and 48 bis. Analyses of these Articles are attached. [4] The Soviets had promised that Articles 42 and 48 would cause no difficulty once Article 35 was agreed. They now, however, stated that Article 48 bis must also be settled before they could change their position on Articles 42 and 48. When the Western Powers offered to accept the Soviet version of 48 bis, the Soviets stated that they could not accept their own version pending conclusion of bilateral negotiations with the Austrians on the amount of postwar debts for relief supplies.

These alleged negotiations have made no progress since December 5, 1949, when the Austrians submitted a note which the Soviets have not yet found time to answer. During the early months of 1950 both the Western Powers and the Austrian Government tried to get the Soviet Government to state when conclusion of the bilateral "negotiations" could be expected. The Soviets refused to give any indication. The Treaty Deputies held five meetings in January, February and March at which the Western Powers demanded that all five unagreed Articles be considered as a whole, and the Soviets refused to discuss Article 48 bis and demanded that discussion begin with the other articles. The Western Powers considered it useless to discuss Articles 42 and 48, since the Soviets had promised to change their position on these articles once 48 bis was agreed, and did not desire to conclude Articles 16 and 27 separately, in the absence of an assurance that all outstanding issues could be settled, hoping to use these articles for bargaining purposes.

On April 26 the Soviets introduced a new complication, accusing the Western Powers and the Austrian Government of encouraging a revival of Nazism and remilitarization in the Western zones of Austria and demanding that the already agreed Article 9, "Dissolution of Nazi organizations", be revised (a discussion of this Article

[4] Not printed. The unagreed articles are printed in *Foreign Relations*, 1949, vol. III, pp. 1131 ff.

is attached). The Western Powers refused to reopen the Article or to discuss the revision thereof proposed by the Soviets.

On May 4 the Soviet Deputy introduced a third excuse for delay: he accused the Western Powers of violating the provisions of the Italian Peace Treaty relating to Trieste, indicating that as long as the United States and Great Britain keep their troops in Trieste there is no guarantee that they will withdraw from Austria, and therefore no use in signing an Austrian Treaty. The Soviet Deputy has repeated his accusation at every subsequent meeting, without however making any specific proposal, and offering each time to go on discussing the articles of the Austrian Treaty. At one time he refused to meet again until the Western Powers had answered a Soviet note of April 20 on Trieste. After the note was answered, he stated that the answer was unsatisfactory.

The last meeting of the Deputies (the 258th) was held on December 15. The Soviets renewed their accusations on Trieste and on the revival of Nazism. As at all previous meetings in 1950, progress was prevented by a procedural disagreement: the Soviets demanded that discussion begin with Article 9 and the Western Deputies refused to discuss individual articles in the absence of a Soviet indication that such discussion could lead to settlement of the Treaty as a whole. The Western Deputies have proposed that the next meeting be held in mid-March.

On May 18, 1950, the three Western Foreign Ministers agreed:

"(1) That if and when the Soviet government show themselves ready to complete the treaty, the western powers should settle the unagreed Articles as quickly as possible and on the best terms they can get.

"(2) That our present position on each of the unagreed Articles should be maintained until the Soviet government demonstrate their readiness to complete the treaty.

"(3) That in the treaty negotiations the western deputies should continue to place the blame for the delay on the Soviet deputy for his attitude on Article 48-bis, and for his introduction of other pretexts, and to emphasize their own readiness and desire to settle all outstanding issues.

"(4) That the continuity of the deputies' negotiations should be maintained in order to keep alive Austrian hopes and to be in a position to take advantage of any possibility of a settlement. But so long as the present Soviet attitude persists frequent meetings can serve only to encourage hopes which are bound to be disappointed, to increase Austrian pressure on the western powers to make concessions to the Soviet Union, and to provide the latter with a propaganda forum. Meetings of the deputies should therefore not as a general rule be held more frequently than every six-eight weeks." [5]

---

[5] For documentation concerning the Foreign Ministers meetings in London in May 1950, see *Foreign Relations*, 1950, vol. III, pp. 828 ff.

3. DISCUSSION

By stalling on Article 48 bis, reopening the agreed Article 9, and introducing the irrelevant Trieste issue the Soviets have clearly indicated that they are not prepared to conclude an Austrian Treaty at present. There thus appears no likelihood that the Treaty Deputies can make any further progress in the near future.

U.S. policy favors conclusion of an Austrian Treaty at the earliest possible time. Such a treaty would be meaningless unless it provided for withdrawal of all occupation forces from Austria; Soviet consent is therefore required. The French and British have so far been in complete agreement with our policy on the Austrian Treaty.

There appear to be three suggested courses of action at possible Four-Power talks:

(1) To propose that the four Deputies be instructed to proceed immediately to consider all five of the unagreed articles, without reopening articles already agreed or introducing extraneous issues. The British and French, in the light of their past positions, can be expected to approve of this course. There is no indication that the Soviets would agree to it. If such instructions were issues and obeyed by the Deputies, speedy conclusion of an Austrian Treaty could be expected, since none of the five articles are important enough to justify rejecting the Treaty.

(2) To attempt to settle the unagreed articles at the Four-Power talks. This course has the serious disadvantage of introducing complicated details into such general talks. Its advantage is that it would eliminate the possibility that the Soviets may agree to instruct the Deputies to conclude a treaty and then introduce further stalling devices to evade this instruction. It would require prior consultation with the French and British on possible compromise terms to be offered to the Soviets.

Such terms should include several steps, for bargaining purposes. Details would have to be worked out by experts accompanying the principles in the talks. Proposals should be kept as simple as possible. The following compromise proposals are suggested, to be made successively:

(a) To adopt the Soviet version of Article 48 bis and the Western versions of Articles 16, 27, 42, and 48.

(b) To adopt the Soviet versions of Articles 48 bis and 16, and the Western versions of Articles 27, 42, and 48.

(c) To adopt the Western versions of Articles 27 and paragraph 9 of Article 42, and the Soviet versions of the rest of Article 42 and of Articles 48 bis, 16, and 48.

(d) To accept the Soviet versions of all five Articles. This last proposal would be justified as a last resort if it would obtain immediate and final agreement to a Treaty.

This course can only be adopted if the scope of possible talks with the USSR foresee that experts on individual subjects can hold detailed negotiations during the course of the meetings.

(3) To propose a simplified Four-Power declaration in lieu of a Treaty. Such a declaration should include the following points: (a) provision for withdrawal of all occupation forces within 90 days after ratification; ratification and the 90-day period are necessary in order to provide sufficient time to carry out tripartite plans for training and equipping an Austrian army (it might even be necessary for the U.S. to delay ratification somewhat to provide the necessary time). (b) Reestablishment of Austria's independence within her frontiers as they existed on January 1, 1938, and agreement to respect this independence. (c) No reparations to be exacted from Austria. (d) The Four Powers to favor Austria's admission to the UN. (e) Each of the occupying Powers to relinquish to Austria all German assets and war booty held or claimed by them in Austria. If the Soviets would not accept the last point (as they almost certainly would not) the agreed text of Article 35 of the draft Treaty could form part of the declaration.

It is not certain whether or not the French and British would agree to such a declaration; prior discussions would have to be held with them as they have not yet been approached on this item.

#### 4. RECOMMENDATION ON THE U.S. POLICY POSITION

(1) To include settlement of the Austrian Treaty in any possible Four-Power talks.

(2) *To reach tripartite agreement* on a firm Western position prior to the Four-Power talks.

> (a) To propose that the Soviet version on all five remaining unagreed Articles of the Austrian Treaty be accepted at the outset of the negotiations in order to obtain immediate and final settlement of the Treaty.
>
> (b) To propose a progressive series of positions as outlined in course 2, page 5 of RPTS D-3/1, in the event that the British and French can not agree to the tactics proposed above.

(3) To propose to the Soviets in the Four-Power talks that the Western Powers are prepared to accept the Soviet versions of the five remaining articles in the interest of obtaining rapid settlement of the Treaty.

(4) No agreement will be reached which does not take into account the necessity that Austrian security forces will, prior to the withdrawal of Western occupation forces from Austria, be reasonably adequate to maintain internal security.

(5) To avoid any discussion with the British and French at this time of alternative proposals if the Treaty is not concluded, such as the proposal for a Four-Power Declaration or reference of the Austrian question to the General Assembly of the United Nations.

If the foregoing conclusions are accepted it is proposed that the Austrian question be listed on the agenda as follows:

"Continuation of the discussions of the Council of Foreign Ministers to obtain rapid conclusions of the Treaty for the establishment of an independent and democratic Austria."

## No. 526

663.001/1-2451

*The Ambassador at Large (Jessup) to the Assistant to the Secretary of Defense for International Security Affairs (Burns)* [1]

TOP SECRET [WASHINGTON,] January 24, 1951.

MY DEAR GENERAL BURNS: I attach a Policy Review paper on the Austrian Treaty prepared by the Steering Committee for use in possible talks with the Soviets. The representatives of the Department of Defense on the Committee did not concur in the recommendations on pages 6–7.

I consider that the recommendations in the attached paper reflect correctly the decision of the NSC to seek the conclusion of the Austrian Treaty. On October 26, 1949 the Secretaries of State and of Defense discussed with the President the question of the Austrian Treaty. The President stated that he had given the problem careful consideration and felt without question that the Treaty should be concluded in order to obtain the withdrawal of Soviet military forces from Austria and to gain the general political advantage which will be derived from this action. On May 5, 1950 the President approved NSC 38/6, which states that "the U.S. should continue to participate in the Treaty negotiations and make every effort to bring them to a satisfactory conclusion".[2] NSC 38/4, also approved by the President, states that the U.S. should insure "prior to the withdrawal of the occupation forces, that the Austrian armed forces are reasonably adequate to maintain internal security," and that "an initial Austrian army of approximately 28,000 would be required to maintain internal security in the period immediately following the withdrawal of the occupation forces". [3]

It is therefore United States policy to conclude an Austrian treaty as quickly as possible. On May 18, 1950 the three Western Foreign Ministers confirmed this policy, agreeing that "if and when the Soviet government show themselves ready to complete

[1] Drafted by Benjamin D. Kimpel of the Office of Western European Affairs.

[2] Not printed, but see NSC 38/5 and the editorial note, *Foreign Relations*, 1950, vol. IV, pp. 387 and 397.

[3] NSC 38/4, November 17, 1949, is printed *ibid.*, 1949, vol. III, p. 1190.

the treaty, the Western powers should settle the unagreed Articles as quickly as possible and on the best terms they can get". The United States Government has repeatedly assured the Austrian Government that it is our policy to conclude the treaty, and that the Austrian question will be included in any over-all discussions with the Soviets. The deputies of the three Western Powers have been prepared at any time to reach final agreement on the treaty; the fact that no treaty has been concluded is due solely to Soviet intransigence.

In August 1950, representatives of the three Western Powers discussed the creation of an Austrian army, reaching substantive agreement on plans for such an army and on procedures for assuring its creation and training before withdrawal of the occupation forces. The United States intends to insure that all plans are completed before ratification of a treaty, even if it is necessary to delay ratification, in order that the initial army of 28,000 may be in being at the time of the withdrawal of the Western occupation forces. [4]

The security consideration set forth in NSC 38/4 is thus being met by present planning and, in any case, is not involved in the proposal made in the attached paper, which allows the same time for creation of an Austrian army as agreement by the deputies would allow. The five unagreed Articles which prevent completion of the Treaty are of comparatively minor importance and in no way affect United States security interests. The major issues have already been settled, and the Western Powers have gained their basic demands: recognition of Austria's pre-war boundaries, creation of an Austrian army, renunciation of reparations, and Austrian sovereignty and independence. Even on Article 35 the Western Powers have obtained a part of their demands, including renunciation by the Soviets of all properties except oil and Danube shipping, subjection of the latter to Austrian law, and reduction of Soviet oil holdings to a level substantially less than those which they now control. It is believed that the advantage of obtaining withdrawal of Soviet troops from eastern Austria more than counter-balances the disadvantage of concession on the few remaining Articles.

Such a thorough-going new proposal as this is necessary to break the stalemate in treaty negotiations and to furnish a strong Western position on Austria in possible Four-Power talks. It will be impossible to avoid discussing Austria in any over-all discussion of East-West differences. The attached paper proposes the discussion

[4] For documentation concerning U.S. interest in the formation of a future Austrian army during 1950, see *Foreign Relations*, 1950, vol. IV, pp. 473 ff.

of the Austrian Treaty as part of a general settlement of such differences, including those concerning Germany. There is no reason to believe that the Soviets will reverse their present position and agree to an Austrian treaty. However, if the Soviets refuse the Western proposal suggested in the attached Policy Review paper they will demonstrate clearly their unwillingness to live up to their international commitment in this respect, and the Western Powers will be placed in the best possible propaganda position.

The total number of Western troops in Austria is not only less than half the number of Soviet troops but is substantially less than the number of the proposed initial Austrian army. The Austrian Government is friendly and cooperative with the Western Powers and the population has shown no signs of being tempted by Soviet promises or Communist propaganda. The draft Treaty provides for simultaneous withdrawal of all occupation forces, and the United States will not of course withdraw its forces if the Soviets do not do so. The Austrian Government will be assured of continuing United States support, and can be confidently expected to join the Western bloc of European nations. Politically, few countries of Europe are as stable as Austria.

It is requested that in the light of the foregoing the Department of Defense concur in the course of action recommended on pages 6–7 of the attached Policy Review paper. [5]

Sincerely yours,

P[HILIP] C. J[ESSUP]

[5] Not further identified.

## No. 527

CFM files, lot M–88, box 72, Bound volume—Austria, 1951

*Memorandum by the Joint Chiefs of Staff to the Secretary of Defense (Marshall)* [1]

TOP SECRET WASHINGTON, 31 January 1951.

Subject: Austrian Treaty.

1. The Joint Chiefs of Staff have examined, from the military point of view, the recommendations of the Department of State draft position paper entitled "Austrian Treaty" (RPTS D–3/1e),

[1] Transmitted to the Department of State by a letter from the Secretary of Defense to the Secretary of State, dated February 5. Marshall stated in his cover letter that he concurred with the comments of the Joint Chiefs of Staff.

dated 23 January 1951, [2] and perceive no objection thereto, subject to modification of the recommendations in subparagraphs 4(2)(a) and 4(3) in order to preclude acceptance at the outset of the Four Power Meetings, and without further negotiation, of the Soviet version of unagreed Article 27 of the proposed Austrian Treaty. Moreover it should be stated clearly in paragraph 4 of the position paper (RPTS D-3/1e) that the Soviet version of Article 9 is unacceptable and that the United States will not agree to reopen discussion of this article.

2. The Soviet version of Article 9 is so vaguely worded that it could be used against almost any Austrian military, paramilitary, or quasi-military organization. This wording would permit the Soviets to make interpretations that would hinder the development of adequate Austrian security forces. In the opinion of the Joint Chiefs of Staff such forces are essential for that country when the Austrian Peace Treaty comes into effect, if Austria is to remain oriented toward the West.

3. With regard to Article 27, acceptance of the Soviet proposal that "persons who are not Austrian nationals" be added to those categories of persons whom Austria is forbidden to "employ" in "military or civil aviation or in the experimentation, design, production, or maintenance of war materials" not only might seriously interfere with the effective functioning of any Mutual Defense Assistance Program (MDAP) for that country but also with the effective development of Austrian security forces. Further, it would hamper the implementation of plans for development of Austrian civil aviation. In addition, it would be an unjustifiable restriction on Austrian sovereignty and could prevent that government from receiving military missions from the Western Powers.

4. Because of the importance to the United States security position which they attach to the timely development of adequate Austrian security forces, the Joint Chiefs of Staff recommend that, in any event, the United States negotiate Article 27 of the Austrian Treaty with representatives of the USSR, making every effort to insure a conclusion satisfactory to the United States. * Furthermore, the Joint Chiefs of Staff feel that the Soviet version of Article 9 is unacceptable and, therefore, recommend that the United States not agree to reopen discussion of this article.

For the Joint Chiefs of Staff:
OMAR N. BRADLEY

---

[2] Document 525.

* See paragraph 15 of NSC 38/6. [Footnote in the source text.]

## No. 528

CFM files, lot M-88, box 72, Bound volume—Austria, 1951

*Memorandum by the Deputy Director of the Office of Western European Affairs (Williamson)* [1]

TOP SECRET [WASHINGTON,] February 8, 1951.

THE AUSTRIAN TREATY

The attached letter from the Secretary of Defense [2] concurs, with certain exceptions, in the Department's recommendations for a settlement of the Austrian Treaty. The basic exception opposes the Department's principal recommendation to accept the Soviet version of all five of the remaining unagreed Articles of the Treaty at the outset of the negotiations. Unless General Marshall's position is accepted it will be necessary to reopen the Austrian Treaty question in the NSC. This is a time consuming process which would interfere with the schedule of the tripartite talks. Acceptance of Defense's position would not alter the policy followed to date in the Treaty negotiations and would be consistent with the conclusions in NSC 38/6.

The views of Defense with respect to Article 9 are consistent with the Department's views as set forth in RPTS D-3/1e, which concludes with the recommendation that the Soviet version of Article 9 is unacceptable and that the U.S. should not, therefore, agree to reopen this Article. It is suggested that an additional paragraph be added to the recommendations to cover this point.

With reference to the observations of the Secretaries of the three Services on the same subject, as set forth in General Burns' letter of February 6, 1951 (attached), [3] the following comments are submitted:

(a) The point is made that the possibility of a general settlement of differences with the Soviets is admitted by all parties concerned to be very remote, and the Secretaries doubt that the placement of the Austrian Treaty negotiations in the framework of a general settlement can be interpreted as making "every effort to bring them to a satisfactory conclusion". It may be stated in this connection that the policy of this Government is, as stated by the President, to conclude the Austrian Treaty on the best terms obtainable and it is not the Department's intention to propose a settlement of the Austrian Treaty contingent on any other factor involved in the

---

[1] Drafted by Edgar P. Allen of the Office of Western European Affairs.

[2] See footnote 1, *supra*.

[3] Not printed; in response to Jessup's letter to Burns of January 24, it contained Burns' summary of the views of the three Services which are summarized in this memorandum. (CFM files, lot M-88, box 72, Bound volume—Austria, 1951)

world-wide differences between the East and West. The inclusion of the Treaty in the general discussions is an additional effort to secure a settlement of this problem. The Treaty Deputies will hold a regularly scheduled meeting in March, at which time a settlement could possibly be reached outside the framework of the general discussions.

(b) The three Secretaries request information as to the assurances which will be provided to the Austrian Government for the continuance of U.S. support. A program is already underway to provide for and equip Austrian security forces prior to the withdrawal of the occupation forces. Further assurance of support might well include a Western declaration, subsequent to the coming into effect of the Treaty, to consider an attack on Austria's independence as an attack on the members of the North Atlantic Treaty Organization. This question has not been discussed with the British or French. Thirdly, the U.S. intention to provide continuing economic assistance to Austria for at least several years following conclusion of the Treaty would also be beneficial. The Department cannot commit the Government to a continuing program of this character, but will press for such aid before Congress and the NSC. The President has referred to this problem in his Budget Message of January 15.

RECOMMENDATIONS

That the recommendations RPTS D-3/1e be modified to read as follows:

1. To include settlement of the Austrian Treaty in any possible Four-Power talks.

2. *To reach tripartite agreement* on a firm Western position prior to the Four-Power talks.

3. To propose a progressive series of steps which might be taken to obtain conclusion of the Treaty, namely:

(a) To adopt the Soviet version of Article 48 bis and the Western versions of Articles 16, 27, 42, and 48.

(b) To adopt the Soviet versions of Articles 48 bis and 16, and the Western versions of Articles 27, 42, and 48.

(c) To adopt the Western versions of Article 27 and paragraph 9 of Article 42, and the Soviet versions of the rest of Article 42 and of Articles 48 bis, 16, and 48.

(d) To accept the Soviet versions of all five Articles. This last proposal would be justified as a last resort if it would obtain immediate and final agreement to a Treaty.

4. To reject any Soviet effort to reopen agreed Articles, such as the proposed amendment to Article 9.

5. No agreement will be reached which does not take into account the necessity that Austrian security forces will, prior to the withdrawal of Western occupation forces from Austria, be reasonably adequate to maintain internal security.

6. To avoid any discussion with the British and French at this time of alternative proposals if the Treaty is not concluded, such

as the proposal for a Four-Power Declaration or reference of the Austrian question to the General Assembly of the United Nations.

If the foregoing conclusions are accepted it is proposed that the Austrian question be listed on the agenda as follows:

"Continuation of the discussions of the Council of Foreign Ministers to obtain rapid conclusion of the Treaty for the re-establishment of an independent and democratic Austria."

---

## No. 529

CFM files, lot M-88, box 72, Bound volume—Austria, 1951

*Memorandum by the Ambassador at Large (Jessup) to the Deputy Assistant Secretary of State for European Affairs (Bonbright)*

TOP SECRET [WASHINGTON,] February 9, 1951.

Subject: The Austrian Treaty

I am not sure that the position taken in Mr. Williamson's memorandum [1] on Defense objections relative to the Austrian Treaty is correct in respect to two points.

In regard to Article 27, RPTS D-3/1e is in fundamental agreement with the Defense position but reaches the conclusion that the result of agreement upon the Soviet text would not be disastrous. The Joint Chiefs seem to contemplate the possibility that in the last resort, as we recommend, the Soviet version of Article 27 might be accepted. Their comments are therefore fundamentally addressed to the tactics of negotiation which is not a military problem and which is the responsibility of the State Department.

The same considerations apply to the objection which the Joint Chiefs have raised with the idea that we might propose acceptance of the Soviet text of five unagreed articles at the outset. We reached the conclusion that it might be good negotiating tactics to confront the Soviets with this packaged acceptance. We have pointed out that we must first get a tripartite position. It is not the function of the Joint Chiefs to advise us on these negotiating tactics. Their comments may have been sufficiently persuasive to have altered our own conclusions but I am not clear that is the fact.

There is an additional problem which I called to Mr. Williamson's attention in a memorandum yesterday. This is the question whether we should make a special effort to have the Deputies [2]

---

[1] *Supra.*

[2] The reference is to the Deputies for Austria at the Council of Foreign Ministers, also referred to as Treaty Deputies. They are not to be confused with the Deputy Foreign Ministers who were in Paris for the Four-Power Exploratory Talks.

wind this up at their March meeting, for example by suggesting the acceptance of the Soviet text of the five unagreed articles, or whether we should let the Deputies' meeting run its usual course and reserve the dramatic offer for the meeting of the Ministers. This is again a question of tactics which I believe should be decided by the Department of State.

In regard to having the Secretary send a communication to General Marshall on this point, it seems to me it would be wiser to deal at the same time with the Joint Chiefs objection to discussing Soviet troop strength in Hungary and Rumania and the question of the Austrian Treaty. We need to explain to them our negotiating tactics on linking these things together. We can make such an explanation more effectively if we deal with both points in the same communication. However, General Marshall has not yet acted upon the Joint Chiefs recommendation on the issue of the Soviet troop strength in Hungary and Rumania. It would seem to me desirable therefore to hold up our communication until the first of the week when we hope to have General Marshall's decision. Meanwhile I should appreciate it if you or Mr. Williamson would let me know if you agree with my comments on the Austrian paper.

PHILIP C. JESSUP

---

## No. 530

CFM files, lot M-88, box 72, Bound volume—Austria, 1951

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Ambassador at Large (Jessup)* [1]

TOP SECRET [WASHINGTON,] February 10, 1951.

I heartily concur with your conclusion that the comments of the Joint Chiefs of Staff on the Austrian Treaty paper are addressed to negotiating tactics rather than to the military consequences of the problem and that the determination of tactics is clearly the responsibility of the Department of State. Nevertheless, I think that certain considerations should be taken into account in reaching a decision on tactics in the forthcoming negotiations. I believe that these considerations make it desirable to change the recommendations of the Steering Committee in order to obtain maximum agreement on the Western position.

In the first place, EUR has always considered that the decision of the President and the NSC gave the Department sufficient author-

[1] Drafted by Williamson.

ity to accept the Soviet version of the remaining articles in the Treaty in order to obtain a final settlement. The proposal to accept the Soviet position on all the articles has not been made to the British and French and may cause certain difficulties. These Delegations may question our position with respect to specific articles, such as Article 48 which the British and French wish to retain in the Western version and Article 16 which the French desire to reject the Soviet version. Article 27, which has given rise to the comments of the JCS, has never been a serious problem with the British and French, a fact probably arising from the reality of US financial responsibility for the rearmament of Austria. It is not known, therefore, whether they would agree with our proposal to accept the Soviet version of all articles at the outset of the negotiations. The recommendations in my memorandum provide, as you point out, a framework for tripartite discussions, culminating in the proposal that the Soviet position be accepted as the price of obtaining a Treaty. If tripartite agreement were reached to accept the Soviet position as a package deal we could inform Secretary Marshall of our intention to proceed on this basis as such action would lie clearly within the responsibility of the Department.

Secondly, the views of the JCS, as contained in Secretary Marshall's letter, provide a great advance in military thinking on this subject and are in marked contrast to the views transmitted to Secretary Marshall by the three Service Secretaries. Until recently the JCS have opposed the conclusion of the Austrian Treaty on security grounds, a fact which has necessitated raising this question six times in the National Security Council. If we do not agree to attempt to save Article 27 through negotiations, as requested by the JCS, it is quite possible that the Service Secretaries will utilize this opportunity to propose to Secretary Marshall that the entire question of concluding the Austrian Treaty be resubmitted to the NSC. The Department could not prevent such action and in event it took place we would be unable to discuss this question in the present tripartite schedule. Attention, therefore, should be paid to the JCS view on Article 27 since the scope of this Article lies within their legitimate interest.

Thirdly, our objective in the Four-Power talks is to conclude the Treaty on the best terms obtainable. We have been trying to obtain Soviet acceptance of their own texts for individual articles in the Deputies' negotiations for the past year but have been prevented from obtaining agreement by procedural difficulties. There has been no proposal for trading articles as recommended in my memorandum as such action would require discussion at the Ministerial level. The acceptance of the Soviet version of all the unagreed articles at the outset of the negotiations might obtain the conclusion of

the Treaty if the Soviet Delegation is instructed to reach a total or partial settlement with the West. On the other hand, if the Soviet Delegation has such instructions, the proposal for a series of steps in the negotiations might also achieve the desired result of concluding the Treaty at any one of the stages which are listed. It seems to me that the adoption of such a series of rollback positions would be more comprehensible to the Soviets in terms of the negotiating history of the Austrian Treaty than a complete acceptance of their terms at the outset. If the Treaty were concluded at any stage prior to the final one, a distinct advantage would be obtained for our interest in Austria. The proposal in my memorandum envisages that we accept ultimately the Soviet version of all five articles in order to obtain conclusion of the Treaty. The effect, therefore, would be the same and the only difference in the two proposals would be to draw out the Austrian negotiations for a longer period of time.

I agree with your suggestion that we hold up any communication to Secretary Marshall on this question until his views are obtained on linking the discussion of the Austrian Treaty with the question of Soviet troop strength in Rumania and Hungary.

With respect to your earlier memorandum on the Deputies' meeting scheduled for March, I believe that we should not make any offer for settlement of the Treaty to the Soviets at that meeting, but rather leave any substantive discussion for the Ministerial meeting. The exact date in March has not yet been set and it will be done by diplomatic note. No decision need be taken on this question until the second week in March, at which time we will have more definite information on the Soviet reply to our forthcoming note and the timing for the meetings. A decision could be made at that time either to hold the Deputies' meeting, if it is considered desirable, or cancel it in the light of the forthcoming Four-Power conference.

## No. 531

663.001/2-1051: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

TOP SECRET VIENNA, February 10, 1951—5 p.m.

1724. From Perkins.[1] Deptel 5296 to Frankfort February 6.[2] After discussions of general situation with Figl, Schaerf, and Gruber this morning, High Commissioner's opinion, with which I concur, is that this is not propitious moment for proposal to conclude Austrian treaty substantially on Soviet terms as surprise move to force Soviets to show their hand on this issue.

Feeling here is that pressure for treaty and withdrawal Western troops has noticeably eased since Korea. Austrian Government would welcome continued evidence of diplomatic offensive on our part, and have stressed importance inclusion Austrian treaty issue in any four power agenda. We gave assurances that it would be included. Government would especially welcome renunciation British and French occupation costs and release of housing, which is very sore point, but otherwise appear reassured by presence West troops. If these troops could be housed in barracks rather than requisitioned housing, very little further complaint on this score is anticipated.

We feel therefore that our taking initiative to conclude treaty as proposed reftel might be subject to misunderstanding in Germany and Austria, and in fact surprise Austrian Government. We would support such a move as a response if Soviets take any initial step toward conciliation in the deputies discussions. We should accordingly recommend that deputies machinery be kept functioning, and that Ministers in CFM use Austrian treaty issue as precondition of German settlement, but make no new offer on the treaty beyond general statement that as Soviets are aware no substantial differ-

---

[1] George W. Perkins, Assistant Secretary of State for European Affairs, visited Vienna February 9-11 after he attended the two Ambassadorial conferences in Paris and Frankfurt held between January 30 and February 7. For documentation concerning these meetings, see Document 610 and Documents 74 ff.

[2] Telegram 5296 suggested that perhaps the Department of State ought to accept the Soviet version of all the unagreed articles of the Austrian Treaty as a "dramatic gesture" to force the expression of Soviet intentions and further demonstrate the willingness of the Western powers to restore Austria's independence. (763.00/2-151)

ence exists which would prevent conclusion treaty on short notice if Soviets so desire.[3] [Perkins.]

DONNELLY

[3] On February 12, Williamson sent a memorandum to Bonbright in which he expressed his concurrence with Perkins' appraisal contained in this telegram. (CFM files, lot M-88, box 72, Bound volume—Austria, 1951)

## No. 532

663.001/2-2851: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET PRIORITY WASHINGTON, February 28, 1951—5 p.m.

1699. For Donnelly. Deptel 3886 Feb 21 to London, rptd Vienna 1654. [2] Dept wld appreciate ur views and views Aust Govt re tactics for tripartite consideration and subsequent Four-Power talks on Aust Treaty.

In discussing question with Aust officials make it clear U.S. objective is conclude Treaty on best terms obtainable. Sovs may refuse consider Aust as separate issue to be decided on its own merits. Desirable therefore West adopt flexible position which may be adjusted if necessary meet situation after Sov tactics become evident.

If Sovs will discuss Treaty as definite item on agenda we are prepared adopt series progressive steps obtain agreement on remaining articles. Commencing with offer accept Sov version Art 48 bis provided Sovs agree accept West version other unagreed Arts we wld then attempt obtain Sov agreement to Treaty including as much West position as possible. Every effort wld be made retain West version Art 27. Actual steps in negots wld be dependent on situation arising during course negots. Aust Govt shld be informed we wld be prepared accept Sov drafts on all remaining unagreed arts if such action wld achieve conclusion Treaty and withdrawal Sov forces but that we wld make every effort obtain maximum West position before taking such action. We wld refuse reopen already agreed arts such as Art nine and reject any Sov attempt link Aust Treaty with irrelevant issues such as Ger rearmament, denazification, demilitarization or Trieste as previously attempted.

We wld insist with Brit and Fr any agreement reached must take into acct necessity Aust security forces will, prior withdrawal

[1] Drafted by Allen and Williamson and cleared with Perkins. Repeated to Paris, London, Moscow, and Frankfurt for Reber.

[2] Not printed.

West occupation forces from Aust, be reasonably adequate maintain internal security.

Foregoing plan has not been discussed with Brit and Fr. Any discussion of tactics on tripartite basis will be held in light ur views and position Aust Govt.

See immed fol tel for summary *aide-mémoire* handed Dept today by Aust Legation. [3]

WEBB

[3] Telegram 1700 to Vienna, February 28, is not printed. (663.001/3-2851) The Austrian *aide-mémoire* stated that a Foreign Ministers meeting should be convened even if no results were anticipated and advanced four scenarios for Soviet behavior at such a meeting (663.001/2-2751)

## No. 533

663.001/3-251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, March 2, 1951—11 p.m.

1899. Message of Deptel 1699 March 1 [*February 28*] [2] transmitted to Foreign Office this morning. Vollgruber in absence Minister Gruber said he felt government would warmly welcome course proposed by Department re Austrian treaty, which largely coincided with that favored by his government. He stated that our views would be forwarded by courier to Gruber in Salzburg today, who would have advantage this information when he proceeded on to Paris next week.

Vollgruber stated that Soviet political adviser Koptelov in recent conversations had gone out of his way to bewail western frustration of Soviets desires for treaty. Vollgruber expressed hope that in endeavoring preserve maximum west position in four of the articles we should not give Soviets an opportunity to capitalize on any alleged reluctance on our part to conclude treaty.

As Department is aware, Gruber finds it difficult to resist being nearby at meetings in which Austrian treaty is discussed, and he is taking advantage of OEEC meeting March 9 to arrive Paris few days earlier deputies meeting.

DONNELLY

[1] Repeated to London, Paris, Moscow, and Frankfurt for Reber.

[2] *Supra.*

## No. 534

*Editorial Note*

In response to a proposal by the Soviet Union on November 3, 1950, calling for a meeting of the Council of Foreign Ministers to discuss the demilitarization of Germany, the Governments of the United States, the United Kingdom, France, and the Soviet Union agreed to hold exploratory talks in Paris in order to determine an agenda for a possible Foreign Ministers meeting which would follow. These Four-Power Exploratory Talks, held at the Palais Rose, began on March 5 and continued until June 21 with a total of 74 meetings. No agreement was reached on an agenda, but the question of the Austrian Treaty was briefly discussed on several occasions as is noted in the following documentation. For documentation on the Four-Power Exploratory Talks, see volume III, Part 1, pages 1086 ff.

---

## No. 535

663.001/3–851: Telegram

*The Acting Secretary of State to the Embassy in France* [1]

SECRET WASHINGTON, March 8, 1951—2 p.m.

4662. For Jessup. [2] Suggest you or Reber may wish consult Brit and Fr re mtg Aust Treaty Deputies sched London mid-Mar at call Chairman, presumably Reber. It seems reasonable assume all parties wld be agreeable defer mtg pending outcome present negots Paris. If there is tripartite agreement that London mtg shld be deferred Sov concurrence to deferment shld be requested. [3]

WEBB

---

[1] Drafted by Allen and cleared with Bonbright. Repeated to London, Vienna, Moscow, and Frankfurt for Reber.

[2] Philip C. Jessup, Ambassador at Large, was the principal U.S. representative at the Four-Power Exploratory Talks in Paris.

[3] In response to an inquiry made on behalf of Reber, the Soviet Union agreed to a postponement until after the conclusion of the Four-Power Exploratory Talks. (Telegram 4936 from London, March 15, 663.001/3-1551) Gruber also felt that the meetings of the Austrian Deputies should be postponed as long as there was a prospect that the Austrian Treaty might be placed on the agenda for a meeting of the Council of Foreign Ministers. (Telegram 4866 from London, March 10, 663.001/3-1051)

## No. 536

663.001/3-1251: Telegram

*The Acting Secretary of State to the Embassy in France* [1]

TOP SECRET WASHINGTON, March 12, 1951—8 p.m.

4751. For Jessup. Fol is Dept's position for Aust Treaty to replace conclusions in RPTS D-3/1e, Jan 23: [2]

"*4. Recommendations on US policy position.*

1. To discuss with Brit and Fr series of progressive steps which might be taken to obtain conclusion Treaty, namely:

(a) to adopt Sov version Art 48 bis and West versions Arts 16, 27, 42, and 48;

(b) to adopt Sov versions Arts 48 bis and 16 and West versions Arts 27, 42, and 48;

(c) to adopt West versions Art 27 and para 9 Art 42, and Sov versions rest of Art 42 and Arts 48 bis, 16 and 48; or

(d) to accept Sov versions all five arts. This last proposal wld be justified as last resort if it wld obtain immed and final agreement to Treaty.

These steps may have to be modified in light Brit and Fr positions either on specific arts or concluding Treaty at this time.

2. Any Sov effort reopen agreed arts, such as proposed amendment Art 9, shld be rejected.

3. Any Sov effort link settlement Aust Treaty with other questions, such as Trieste or Ger, shld be rejected.

4. No agreement shld be reached which does not take into acct necessity that Aust security forces will, prior to withdrawal West occupation forces from Aust, be reasonably adequate to maintain internal security."

You may wish to discuss with Brit and Fr method of negot in Ministerial mtgs. As we see it negots by Mins may (1) be limited to securing agreement on directive to CFM Treaty Deputies to resume active negot of unagreed arts with view to concluding Treaty; (2) embrace substantive agreement on unagreed issues, including directive to Treaty Deputies to conclude Treaty on agreed basis; or (3) include complete action by Mins on remaining unagreed issues of Treaty.

First course least desirable in as much as it wld provide no assurance negots wld not again be stalemated in Deputies' mtgs. Second

---

[1] Drafted by Williamson and cleared with Perkins and the Department of Defense. Repeated to London, Vienna, Moscow, and Frankfurt for Reber.

[2] Document 525. These revisions were recommended to the Secretary of State in a memorandum from Perkins on March 10. The memorandum, drafted by Williamson, informed the Secretary that these revisions were being made in light of suggestions by the Joint Chiefs of Staff and the Austrian Government. (663.001/3-1051)

course, which wld provide substantive agreement on Ministerial level but leave details to be worked out by experts in Deputies' negots, favored as matter of tactics. Third course wld unnecessarily consume time of FonMins with respect to details which cld best be handled by Treaty Deputies who are organized and equipped to complete final drafting of Treaty. Any of foregoing courses of action shld be accepted, however, if Sov attitude indicates likelihood that it will lead to early conclusion of Treaty.

WEBB

---

## No. 537

663.001/3-2251. Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, March 28, 1951—noon.

1961. Aust Min presented *aide-mémoire* Mar 23 [2] containing info similar urtel 2087 Mar 22. [3] Points raised re Treaty were effectively covered by Deputies at Paris mtg Mar 23 (Paris tel 174 to Vienna Mar 24). [4] Dept aware propaganda advantages of complete recital Sov stalling tactics Treaty negots plus Sov evasions of Potsdam and Moscow declarations and is developing this theme through our propaganda media.

US Govt cannot prevent Aust appeal to Intl Court or UN but feels initiative must come from Aust Govt and only after all other means exhausted.

Views Aust on Trieste question are appreciated but Dept at present prefers Yugo and Italy continue seek some mutually acceptable solution. A plebiscite not believed feasible or useful to resolve issue.

ACHESON

---

[1] Drafted by Montgomery H. Colladay of the Office of Western European Affairs and cleared with Bonbright. Repeated to Paris for Jessup.

[2] Not printed. (663.001/3-2351) Kleinwaechter gave the *aide-memoire* to Williamson on March 23.

[3] Telegram 2087 informed the Department of State of instructions issued by the Austrian Foreign Office which contended that there was no connection between the questions of Trieste and the Austrian Treaty. (663.001/3-2251)

[4] Same as telegram 5685, vol. III, Part 1, p. 1106. At the 17th session of the Four-Power Exploratory Talks held on March 23, Soviet representative Gromyko repeated the previous Soviet position that the Austrian and Trieste questions were inseparably linked and that the Trieste question must be included as a separate item on the proposed agenda. This position was refuted by the delegates of the three Western powers.

## No. 538

663.001/4-251: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, April 2, 1951—7 p.m.

2016. Second para Deptel 1961 Mar 28 (506 to Paris) [2] said "US Govt cannot prevent Aust appeal to Intl Court or UN but feels initiative must come from Aust Govt and only after all other means exhausted". Dept wishes supplement quoted para as follows:

Austria wld have no way of bringing treaty matter before ICJ. Austria is not member of UN or party to Statute of ICJ. Nor is Court now open to Austria under Art 35(2) of Statute of ICJ. In any event, USSR has not accepted Court's compulsory jurisdiction. Consequently, even if Austria herself took all necessary steps, Austria wld be unable bring USSR before ICJ.

Re Aust appeal to UN on initiative Aust Govt, it wld be more difficult for Austria herself to bring case before SC or GA than for Western powers to do so. Art 35(2) of UN Charter specifically provides for state which is not UN member to bring to attn of SC or GA any "dispute to which it is a party". UN consideration under other provisions of Charter might perhaps also be undertaken on Aust initiative. But Aust Govt's raising Aust problem, instead of Western powers doing so, wld enhance probable opposition to UN consideration on ground of Art 107 of UN Charter. Art 14 of Charter wld be most appropriate basis for raising Aust problem in UN. This cld be done in GA by Western powers, as Secy Marshall indicated at Moscow CFM might need to be done if USSR continued to obstruct Aust treaty. [3]

ACHESON

---

[1] Drafted by Leonard C. Meeker, Assistant Legal Adviser for United Nations Affairs and cleared with UNP, WE, EUR, and S/S. Repeated to Paris for Jessup.

[2] *Supra.*

[3] In telegram 2224 from Vienna, April 4, Donnelly informed the Department of State that the Austrian Foreign Office had no intention of proceeding precipitately with any appeal to the International Court of Justice or the United Nations. (663.001/4-451)

## No. 539

396.1-PA/4-1251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Embassy in France* [1]

SECRET VIENNA, April 12, 1951—7 p.m.

253. For Jessup. Gruber has asked me to tell you of his conversation with Gromyko on Apr 9, which lasted over an hour and re which he was unable to inform you before his departure from Paris that night.

Gromyko, he says, discussed Aust treaty freely, and this time did not attempt to connect it with Trieste or other issues. Rather, he argued that US was already committed to war, and did not wish conference of four. When Gruber in his turn argued that Western Powers needed some proof they could do business with Soviet Union, and conclusion of Aust treaty wld be best evidence this regard, Gromyko countered that Soviet Union wld receive no credit in this respect, as American people, in particular, wld be deceived by their leaders.

Gruber feels that only significance in conversation was Gromyko's increased and decided pessimism re prospects of Big Four mtg, and he wonders whether this attitude may not indicate that Soviets have now decided they do not wish conference to take place.

Brit High Commissioner here requests you also inform Mallett contents of telegram.

DONNELLY

[1] Repeated to the Department of State as 2313, which is the source text.

## No. 540

396.1/6-451: Telegram

*The Secretary of State to the Office of the United States High Commissioner for Germany* [1]

SECRET WASHINGTON, July 19, 1951—8 p.m.

525. For Reber. Frankfort's 9787 June 4. [2] In view termination Paris Dep talks and absence indication Sov willingness participate

[1] Drafted by Allen and cleared with Williamson, Reinhardt, Bonbright, and Perkins. Repeated to Vienna, Moscow, London, and Paris.

[2] Telegram 9787 described Gruber's conversation with Zarubin in which Zarubin stated that there would be no difficulties in reaching full agreement as part of a general European settlement. (396.1/6-451)

CFM with opportunity settle Aust problem, consideration being given to calling mtg Treaty Deps London near future purpose continuing negot Aust Treaty accordance tripartite agreement. Consider such mtg wld serve double purposes of assuring continuity mtgs pursuant May 1950 agreement and at same time afford opportunity seek tripartite agreement on future tactics. In addition, assuming Brit and Fr concurrence to Deps' mtg, believe useful propaganda purposes wld be served by sending three identic notes to USSR pointing out last scheduled mtg was postponed in view of possibility of a CFM but since Sov refusal to attend a CFM is now confirmed, a further mtg of Deps is in order.

Dept wld contemplate that West actions at next Dep mtg wld be governed by our basic objective conclude Treaty on best terms obtainable in conformity existing instrs and that in absence Sov willingness undertake serious negots West wld confine efforts to fixing definite date for the fol mtg.

Request ur comment and recommendation concerning best method reconvening Deps mtgs.

Message on future tactics solution Aust problem follows.

ACHESON

---

## No. 541

396.1/7-2351 Telegram

*The United States High Commissioner for Germany (McCloy) to the Secretary of State* [1]

SECRET FRANKFORT, July 23, 1951—3 p.m.

642. From Reber. Deptel 525, July 19, rptd London 469, Vienna 17, Moscow 47, Paris 461. [2] In determining whether we shld take initiative in reconvening Austrian treaty deputies Austrian opinion shld be considered. If in Vienna's view it is necessary to again demonstrate to Austrian Govt and people we are continuing our efforts to bring about settlement, this wld be important factor. If, however, as Gruber indicated (mytel 9787, June 4) [3] Austrians believe no solution possible without general settlement of causes of tension in Eur, I question whether a mtg which is unlikely to do more than underline our inability to make progress will serve useful purpose. Continuity of mtgs was interrupted by Paris talks and their resumption now might either raise hopes which are unlikely be ful-

[1] Repeated to Vienna, London, Moscow, and Paris.

[2] *Supra.*

[3] Not printed, but see footnote 2, *supra.*

filled or subject us to pressure for further concessions on individual articles without assurances of final settlement.

In any event, preliminary consultations of Brit and Fr seem desirable at this stage before reaching final decision. If they and Austrians advocate mtg, proposed identical notes to USSR seem best procedure.

McCLOY

---

## No. 542

396.1/7-2751: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, July 27, 1951—8 p.m.

362. Deptel 525 to Frankfort July 19, [2] Frankfort's 642 to Dept July 23. [3] FonMin Gruber informed of our consideration possibility Austrian treaty session. Initial reaction was to welcome suggestions, since he considers it important that continuity of treaty efforts shld not be interrupted altogether. He thought plans for conference some time in Sept shld continue receive active consideration, with final decision to be made few weeks hence in light developments this summer and progress Korean negotiations. He felt that recent deputies meetings Paris had been instructive re Soviets and that there was general utility in keeping four power contact through CFM or deputies. His thought, therefore, that if deputies reconvened for Austrian treaty, it shld be for two or three weeks effort rather than one-hour formality. Will discuss subject further with Legation next week.

Gruber did not suggest any special Austrian urgency for treaty session at this time, but appeared to be thinking primarily in terms general European situation, with indication that desirability of another treaty try may become more pressing in autumn.

DONNELLY

---

[1] Repeated to London, Paris, and Frankfurt for Reber.

[2] Document 540.

[3] *Supra.*

## No. 543

396.1/7-3151: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

SECRET LONDON, July 31, 1951—7 p.m.

637. Dept's 469 [*525*] to Frankfort July 19. [2] Minford gave us today FonOff views on possible reconvening Aust treaty deps. He said Brit dep Mallet, who is going to Belgrade as Amb, has written strong opinion against holding further treaty talks until Sovs had shown real signs willingness to make concessions. Mallet recalled months of fruitless talks in 1950 and warned against permitting hopes of Austs to rise and then disappointing them. Allen, head of Ger (and Aust) Polit Dept, had written opinion along similar lines.

Minford said he inclined to agree with Mallet's and Allen's arguments, adding that in his opinion FonOff's views were similar to Reber's (Frankfort's 642 to Dept July 23) [3] which EmbOff had informally outlined to him. Before taking final position FonOff wishes obtain Caccia's and Aust Govt's advice, which Minford thought wld be along lines of Gruber's comments given in Vienna's 362 to Dept July 27. [4]

GIFFORD

[1] Repeated to Vienna, Paris, and Frankfurt for Reber.
[2] Document 540.
[3] Document 541.
[4] *Supra.*

## No. 544

663.001/8-2351: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, August 23, 1951—8 p.m.

731. Foreign Office yesterday showed Leg officer copy of instructions being sent to Austrian missions Paris, London and Washington re future meeting Aus treaty deputies. Instruction stated that Aus missions should not take initiative in raising question since it was primarily in province of the four negot powers. However, they should seek occasion for informal discussion in which they should

[1] Repeated to Paris, London, and Frankfurt for Reber.

state that their govt favored early meeting of deputies in order to keep the Austrian question alive as current internatl political issue. Foreign Office felt that meeting shld not be pure formality but shld be entered into with design to press the Soviets and force disclosure of their objectives. Any date after Sept 15 would be suitable provided meeting held early enough to permit an approach to UN in Nov if treaty session proved fruitless. Aus intention re UN tactics were that Assembly might be able to pass resolution urging conclusion of treaty and demand report from four negotiating powers why treaty not yet concluded.

DONNELLY

## No. 545

740.5/8-2751 Telegram

*The Chargé in the United Kingdom (Holmes) to the Secretary of State* [1]

SECRET LONDON, August 27, 1951—8 p.m.

1080. 1. Re first para Embtel 1040 Aug 25. [2] This is tel re Austria agenda item.

2. *Treaty deps talks*

As reported Embtel 637 July 31, [3] FonOff is not convinced that new session Aust treaty deps wld produce more good than harm. It feels arguments against session now have been buttressed by current discussions on Trieste which may bring solution that thorny problem. As Sovs have introduced extraneous issue of Trieste into last session of deps, FonOff believes session now wld provide them convenient forum to criticize West and further excuse for refusing any moves in Aust. Temptation for Sovs also to sour atmosphere for revision Ital treaty. They also feel session now not necessary to Aust morale.

On other hand, FonOff realizes desirable maintain continuity of Aust treaty talks and wld probably agree to dep session before end of year, especially if Trieste and Ital treaty revision issues are out of way by that time.

[1] Repeated to Paris and Vienna.

[2] Telegram 1040 described the political situation in Great Britain and British attitudes toward the United States as background for the Secretary's planned discussions with British Foreign Minister Herbert Morrison. It stated that telegrams would follow outlining the Embassy's estimate of British attitudes toward each of the agenda items. (396.1-NE/8-2551)

[3] Document 543.

If US desires another dep meeting soon, best approach to Morrison wld probably be in wider context than Aust: i.e., dept mtg shld be presented as opportunity to test sincerity alleged Sov desire for peace (Malik proposal,[4] Morrison letter to *Pravda*,[5] Shvernik letter,[6] etc) in particular case where skillful diplomacy might place Sovs in position of putting up or shutting up. Labor party has always maintained that no chance must be lost to seek East-West *détente* by negotiations.

3. *Occupation costs*

Perennial question of occupation costs in Aust may become major issue again since Brit and Fr are feeling pinch of rising costs in Aust. FonOff has been under increasing pressure from War Office to get Aust payments to Brit increased, while Exchequer remains adamant against use of sterling to pay deficit. Morrison will probably come to talks fortified with statistics to prove increased occupation costs wld not be intolerable burden for Aust and wld still be smaller slice its budget than most NATO countries are devoting to defense. We have impression Brit very firm on this question, altho it wld probably welcome scheme by which occupation costs payments to UK and Fr cld be camouflaged, with public figure greatly reduced in order discomfit Sovs.

4. *Possible steps to help Aust morale*

a. Aust participation in Council of Europe (Vienna's 730 of Aug 23)[7] may be raised by Morrison. FonOff not adverse to Aust membership Council but does not think it desirable to let Aust slip in back door, i.e., through participation technical comites and sending of observers to assembly. Feels Aust must accept responsibilities if it desires benefits.

b. FonOff considering whether FonMins shld discuss raising Aust legations to embassies.[8] This might be at least one tangible result from FonMin's talks, wld be favorable from viewpoint public relations Aust, and wld be timely reminder that West powers value Aust friendship and cooperation, particularly since Ger missions in 3 capitals will probably soon be raised to embassies.

---

[4] For Malik's proposal regarding peace negotiations in Korea which was given in a radio speech on June 23, see the editorial note in vol. VII, Part 1, p. 546.

[5] On August 1 *Pravda* published a statement by Morrison in which he deplored Soviet internal and domestic policies. The Morrison letter was followed by an editorial which rejected Morrison's charges.

[6] For documentation concerning the exchange of letters between President Truman and President Nikolai Shvernik of the Soviet Union during the summer of 1951, see Documents 787 ff.

[7] Telegram 730 informed the Department of State that while Austria had inquired whether it could send observers to the various committee sessions of the Council of Europe, Gruber did not appear eager to request membership at that time. (740.00/8-2351)

[8] See Document 517.

c. GA action Brit may wish discuss Aust desire to bring treaty question to UN General Assembly but appear as yet have no strong feelings on subject.

HOLMES

---

## No. 546

740.5/8–3051 Telegram

*The Ambassador in France (Bruce) to the Secretary of State* [1]

SECRET PARIS, August 30, 1951—6 p.m.

1345. Fol is summary FonOff position re pending Austrian problems, corresponding to London's 1080 to Dept Aug 27 (rptd Vienna 63) [2] as obtained from Koenig, Austrian desk officer who is preparing briefing papers for Schuman. Since full FonOff clearance not yet obtained, changes still possible but unlikely.

*1. Treaty Deputies Talks.*

Dept is aware Fr do not share Brit views. They consider that from point of view Aust public opinion, to demonstrate our continued interest and also to keep Austria alive as internatl issue, reasonable continuity of treaty talks shld be preserved. If talks resume in Oct, interruption will have been ten months (not counting Palais Rose talks where Austria was hardly discussed), which in FonOff view is already considerable. Fr wld consider six months interval between sessions optimum period. As re Sovs stirring up trouble with respect to Trieste, FonOff feels they are not dependent for this on flimsy propaganda platform which patently unrelated Austria talks wld provide.

On other hand, although Fr concur with Gruber view that Oct wld be desirable time for resumption, they inclined to feel that Austrian appeal to UN would be of questionable usefulness. Such appeal in their view is not likely to impress Soviets, will certainly not shame them into signing treaty and might on other hand prove actual impediment to progress of deputies at some later time. World public opinion, Fr feel, can be adequately informed through deputies talks. We understand Fr Emb Wash has been promised new paper US position after JCS clearance, and this will be greatly welcomed by FonOff here.

---

[1] Repeated to Vienna and London.

[2] *Supra.*

*2. Occupation Costs.*

Reason why Brit and Fr are pushing this matter now, Koenig said, is that if US position appears unduly negative, particularly with respect increase in 1952, Schuman and Morrison might conceivably have to raise matter with Secy. Fr position apparently closely parallels Brit and is based on increased cost of utilities, transportation and labor in Austria as well as recent slight increase Fr troop strength (which according to FonOff is still not considered adequate by US military authorities in Austria). Important military projects allegedly being delayed because of shortage of cash. With respect reconsideration 1951 costs, Fr position is that US by agreeing to secret AC minute on reopening of question, is "morally" prevented from opposing such reconsideration. By implying moral commitment, Koenig appeared to admit that US could very well oppose reopening of 1951 figures, and these apparently wld in any event not be raised by Schuman.

*3. Possible Steps To Help Austrian Morale.*

(a) Participation in Council of Europe. FonOff inclined to recommend against application for full membership. On other hand, Aust's presence with observer status would be satisfactory Fr and according to Payart wld satisfy Austrians. In gen, FonOff appears to hold view closely paralleling that expressed in penultimate para Vienna's 730 to Dept Aug 23. [3]

(b) Raising Austrian Legations to Embassies. [4] FonOff presumes that paper mentioned in para 1 above covers this and other points. View here is that particularly after contractual agreements are concluded with Ger and perhaps before, entire relationship with Austria will have to be reviewed and range of possible new measures considered to mitigate adverse reaction when Aus inevitably falls behind Germany in its political evolution.

(c) GA action, see paragraph 1 above.

BRUCE

---

[3] See footnote 7, *supra*.

[4] See Document 517.

## No. 547

663.001/8-3051: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, August 30, 1951—10 p.m.

842. Legtel 731, Aug 23; [2] London's 1080 to Dept, Aug 27; [3] Dept's intel, Aug 24. [4] Brit HICOM called this morning to discuss inquiry he had recd from London re feasibility Aust treaty session this autumn and considerations Aust problem by FonMins Wash.

Caccia's fol line indicated by London's 1080 to Dept Aug 27. FonOff had no objection in principle to another try by deputies this year if desired by other powers, but much preferred it be postponed to toward end of year rather than immed future. FonOff feels that time and attention demanded by San Francisco conference, Kaesong negots, and especially settling of Trieste question and revision Ital treaty, leave very little room for Aust discussions in near future. FonOff believes Ital and Trieste questions particularly important and in view developments this field, Sov wld only repeat their Trieste irrelevancies at deputies mtg on Aust treaty. FonOff notes that there is no unusual internal Aust urgency for conference at this time, but mainly general morale builder.

I informed Caccia of Gruber's views, which we had reported to Dept (Legtel 731) and stated we shld be content to accept Dept's judgment on utility of deputies mtg at this time. Caccia and I in agreement on desirability three FonMins issuing Aust statement at conclusion their mtg in Washington, and he is so recommending to FonOff. In such statement there need be no specific mention new mtg of Aust treaty deputies unless agreement reached on this point. Statement shld be strong re-emphasizing desire West powers conclude treaty placing sole responsibility on Sov for lack of treaty.

I informed Caccia of our views re Aust membership Council of Europe and we agreed that action our part shld await further discussion with Gruber after his return from Paris next week.

DONNELLY

---

[1] Repeated to London, Paris, and Frankfurt for Gruber.

[2] Document 544.

[3] Document 545.

[4] Not found in Department of State files.

## No. 548

763.001/9-651 Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, September 6, 1951—7 p.m.

912. Figl attaches great importance to continuation DFM meetings on Aust treaty and hopes next meeting will be held in Oct or Nov. He said "meetings are important for morale of our people and we must maintain their hopes". Figl added treaty with Japan and proposed contractual pact with Ger have revived interest here in early settlement of Aust treaty problem.

Figl referred to treaty during recent meetings with Sovs and they replied with stock statement that Western powers and not USSR are responsible for delay. In commenting on Figl statement that Western powers blame Sovs for delay Sovs said "state treaty problem being studied and chances for agreement might be better following San Francisco conference." Sovs terminated conversation at this point.

DONNELLY

[1] Repeated to London, Paris, Frankfurt, and Moscow.

## No. 549

CFM files, lot M-88, box 158, WFM—Tripartite Talks, 1951

*Position Paper Prepared by the Department of State* [1]

SECRET WASHINGTON, September 7, 1951.
WFM T-7b

[1] In anticipation of the Foreign Ministers meetings in Washington scheduled for September 10–14, steering groups were formed within the Department of State to draft position papers on the various agenda items. One set of position papers, circulated as WFM T-7, dealt with the Austrian Treaty. The first draft of this paper was completed on August 21 by the Bureau of European Affairs and discussed by the Steering Group and the Secretary of State during meetings on August 22 and 23. This draft recommended the introduction of an abbreviated treaty for possible use in case the negotiations on the Austrian Treaty continued to be stalemated. The Secretary of State decided that it was essential to get clearance from JCS on this draft and that as soon as this was obtained copies could then be forwarded to the British and French. (Memorandum of August 25, CFM files, lot M-88, box 72, Bound volume—Austria, 1951)

After several minor revisions, the improved draft (WFM T-7a) was sent to JCS for their concurrence. In a letter of September 6, Secretary of Defense Marshall for-

*Continued*

## AUSTRIAN TREATY

### PROBLEM

To find means of breaking the existing deadlock in the negotiation of the Austrian settlement.

### U.S. OBJECTIVES

To end the occupation by four power agreement and to reestablish a free and independent Austrian state. To maintain the continuity of Treaty negotiations and Western initiative aimed at reaching an Austrian settlement as a part of our efforts to stabilize Europe, such as the German settlement, revision of the Italian Treaty, and a Trieste settlement. As short range alternative to publicize the fact that the onus is on the Soviets for refusal to conclude a Treaty.

### BRITISH AND FRENCH POSITION

Policy remains as stated in the London Agreement of 1950 that the present draft treaty be concluded on the best terms possible.

### POSITION TO BE PRESENTED

1. To seek tripartite agreement that another effort be made at a September–October meeting of the Deputies to ascertain the terms on which the Soviets would conclude the present draft treaty. The Western Deputies would refuse to re-open agreed articles or to consider extraneous issues.

2. If the Soviets refuse to conclude the present draft treaty or raise extraneous issues to inform the Soviet Deputy that we consider it necessary to make a diplomatic approach to the Soviet Government on the Austrian problem in order to obtain a settlement.

3. To propose to the British and French an abbreviated treaty (text attached) consisting of agreed articles from the present draft treaty plus one new article changing the agreed position on German assets which would serve as the basis of a new diplomatic

---

warded the comments of the JCS with which he concurred. The JCS requested that several alterations in the wording of the draft be made to ensure that an adequate Austrian armed force was established prior to the beginning of the withdrawal of occupation forces from Austria. (663.001/9-651) The Department of State accepted these recommendations although they refused to alter the text of the abbreviated treaty itself. After a meeting of representatives of the Department of State and the JCS on September 6, a compromise was reached which left the abbreviated treaty text unchanged but added a new sentence on to paragraph 4 of the section "Position To Be Presented." The final revision, WFM T-7b, was completed on September 7. (Letter from Matthews to Marshall, September 12, 663.001/9-651)

For documentation on the Foreign Ministers meetings for which these position papers were prepared, see vol. III, Part 1, pp. 1163 ff.

approach, or to consider any British or French suggestions for future tactics. To obtain agreement in principal by the Ministers for this proposal with the understanding that it will be discussed in detail by the Western Deputies or in normal diplomatic channels.

4. Future procedure including best means of presentation to the Soviet Government can be discussed by the Western Deputies or in normal diplomatic channels. Discussion should be completed as soon as possible in order that proposal to Soviets for abbreviated treaty may be used to accomplish at an appropriate time the U.S. objectives set forth above. No agreement will be reached which does not take into account the necessity that Austrian security forces will, prior to the withdrawal of Western occupation forces from Austria, be reasonably adequate to maintain internal security.

DISCUSSION

In view of the undertakings which the Austrians as well as the three powers have agreed to take in connection with the unagreed articles, the British and French should accept the proposed abbreviated draft which omits these articles.

The British and French positions on these articles are as follows:

Article 16 (Displaced Persons and Refugees): Plans to carry out our proposal to evacuate the refugees endangered by acceptance of the Soviet version have not been completed, although the British and French support this proposal in principle.

Article 27 (Prevention of German Rearmament): The British and French do not attach the same importance to projects to strengthen Austrian security forces that we do, and are less concerned with the restriction against employment of non-Austrians in the production of war material than we are.

Article 42 (United Nations Interest): The British and French may accept the Soviet version of this article, provided that the Austrian Government will issue an Oil Declaration and a Letter of Intent which would indicate Austrian willingness to make proper compensation to UN nationals and to treat these nationals as favorably as Austrian nationals in restitution matters. The Austrian Government has indicated its willingness to do so.

Article 48 (Debts): Although the Austrian Government has informally indicated its willingness to guarantee assumption of debts which would be cancelled if the Soviet version were accepted, the British and French attitude toward this proposal is not clear.

Article 48 Bis (Post-war Relief Supplies): The elimination of this article would not affect the Western powers. The Soviet version may be accepted provided it is understood that they have no demands on the Austrians for the repayment of expenditures for these supplies.

PROPOSED ABBREVIATED TREATY

(All articles, except Article 6, are agreed texts from the present draft Treaty.)

Article 1. *Re-Establishment of Austria as a Free and Independent State.* The Allied and Associated Powers recognize that Austria is reestablished as a sovereign, independent and democratic State.

Article 2. *Preservation of Austria's Independence.* The Allied and Associated Powers declare that they will respect the independence and territorial integrity of Austria as established under the present Treaty.

Article 3. *Frontiers of Austria.* The frontiers of Austria shall be those existing on January, 1938.

Article 4. *Withdrawal of Allied Forces.* 1. The Agreement on the Machinery of Control in Austria of June 28, 1946, shall terminate on the coming into force of the present Treaty.

2. On coming into force of the present Treaty, Inter-Allied Governing Authority (Kommandatura) established under Paragraph 4 of Agreement on Zones of Occupation in Austria and the Administration of the City of Vienna of July 9, 1945, shall cease to exercise any function with respect to the administration of the City of Vienna. The Agreement on Zones of Occupation of Austria shall terminate upon completion of the withdrawal from Austria of the forces of the Allied and Associated Powers and in any case at the expiration of ninety days from the coming into force of the present Treaty.

3. Forces of the Allied and Associated Powers and members of the Allied Commission for Austria shall be withdrawn from Austria as soon as possible and in any case within ninety days from the coming into force of the present Treaty.

4. The Government of Austria shall accord to the forces of the Allied and Associated Powers and members of the Allied Commission for Austria pending their withdrawal from Austria the same rights, immunities and facilities as they enjoyed immediately before the coming into force of the present Treaty.

5. The Allied and Associated Powers undertake to return to the Government of Austria within the specified period of 90 days:

(a) All currency which was made available free of cost to Allied and Associated Powers for purpose of the occupation and which remains unexpended at the time of completion of withdrawal of Allied forces;

(b) All Austrian property requisitioned by Allied forces or the Allied Commission, and which is still in their possession.

Article 5. *Reparation.* No reparation shall be exacted from Austria arising out of the existence of a state of war in Europe after September 1, 1939.

Article 6. *War Booty—German Assets.* Each of the Allied and Associated Powers shall within the 90-day period specified in Article 4 relinquish to Austria all property, real and personal, of whatever description, held or claimed by them as German assets or as war booty in Austria.

Article 7. *Accession Clause.* 1. Any member of the United Nations at war with Germany which had the status of a United Nation on May 8, 1945, and is not a signatory to the present Treaty may accede to the Treaty and upon accession shall be deemed to be an Associated Power for purposes of the Treaty.

2. Instruments of accession shall be deposited with the Government of the U.S.S.R. and shall take effect upon deposit.

Article 8. *Ratification.* The present Treaty, of which Russian, English and French texts are authentic, shall be ratified. It shall come into force immediately upon deposit of instruments of ratification by the U.S.S.R., U.K., U.S., and France of the one part and by Austria of the other part. Instruments of ratification shall, in the shortest time possible, be deposited with the Government of the U.S.S.R.

With regard to each Associated Power which accedes to the Treaty in accordance with Article 7, and whose instrument of ratification is thereafter deposited, the Treaty shall come into force upon date of deposit. The present Treaty shall be deposited in the archives of the Government of the U.S.S.R., which shall furnish certified copies to each of the signatory States.

---

## No. 550

663.001/9-1051: Telegram

*The Secretary of State to the Legation in Austria* [1]

TOP SECRET
PRIORITY

WASHINGTON, September 10, 1951—noon.

657. Aust treaty will be discussed Sept 13 with Brit and Fr Fon-Mins. Sec will present our plan for breaking existing deadlock in negots by proposing abbreviated treaty text which makes Aust settlement consistent with other moves designed to stabilize Eur such as Ger settlement and plan for revision Italian treaty.

US proposal will be to obtain tripartite agreement as follows:

---

[1] Drafted by Williamson and cleared with Perkins and Matthews.

1—That Deps meet probably in Oct to ascertain terms on which Sovs wld conclude present draft treaty. No agreed arts wld be reopened or extraneous issues, like Trieste, discussed.

2—If Sov Dep restates his previous position and refuses to conclude treaty, to inform him that a dipl approach will be made in Moscow.

3—To propose through dipl channels to Sov Govt that four powers conclude an abbreviated treaty consisting of certain agreed arts from present draft treaty and one new article changing agreed position on Ger assets.

Brit and Fr concurrence wld be obtained that if new abbreviated treaty text were accepted by Sovs, Western occupation forces wld not be withdrawn until Aust security forces are sufficiently equipped and trained to maintain internal security. Outline of proposed abbreviated treaty contained in NSC 38/6 [2] which you have.

Dept wld appreciate ur comments. [3] Has this approach ever been discussed with Gruber? We do not know what Brit and Fr reaction will be as no prelim discussions have been held.

ACHESON

---

[2] Not printed. For further information, see NSC 38/5 and the editorial note, *Foreign Relations*, 1950, vol. IV, pp. 387 and 397.

[3] In telegram 974 from Vienna, September 12, Donnelly strongly endorsed this proposal although he warned that we should make no new concessions beyond those already agreed upon. (663.001/9–1951)

---

## No. 551

663.001/9-1151: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, September 11, 1951—7 p.m.

957. I hope Fon Mins may see way to issue clearcut statement on Aust situation confirming Western endeavors to obtain treaty. If Department perceives no objection I intend to release fol statement this week in order to draw Aust attention to endeavors of Fon Mins, which will have useful morale effect here:

"Over five years have passed since an American Secretary of State first called upon the wartime allies to write a state treaty that wld restore Aust to freedom.

"Today the Fon Mins of the US, Great Brit and France are meeting in Wash, once again seeking a way to push the long-delayed treaty to conclusion.

"During the five intervening years, reps of the West have tried in four major conferences and a host of subordinate sessions to per-

suade the Sov Union to agree to a paper that wld guarantee a place to Aust in the community of nations. Their road has led from London to Moscow, Paris, Vienna, New York and Wash, and on each occasion the Sovs have thrown obstacles across the path and attempted to call a halt.

"In 1947 the Sovs blocked advance by placing a huge amount of Aust property under the heading of 'German foreign assets' and demanding it for themselves. In 1948 they were seized with the desire of ceding Aust territory to Yugoslavia. Next year they introduced the demand that treaty-making must wait until the Austs had completed certain special negots with the Sovs—negots which the Sovs, for their part, wld not even allow to begin. The year after, all these demands having worn thin, the Sovs produced the new and irrelevant one that there must be a new agreement about Trieste before there cld be one about Aust. The more the Western Powers suggested compromises, the more the Sovs threw in obstacles until it seemed to many that no further progress wld ever be made.

"Yet the United States, along with its Western Allies, has by no means given up hope of a settlement. The three Fon Mins meet at Wash conscious that of the 53 articles in the draft Aust treaty, 48 have already been approved by all four powers, and that what needs to be done is to remove the disagreements concerning only a few that remain. Past experience shows that this will be an arduous task. The Western Powers cannot permit concessions that will endanger Aust's national future. Exploring every possible avenue of equitable approach, they require simply that the Soviet occupant will do the same."

DONNELLY

---

## No. 552

663.001/9–1151: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, September 12, 1951—5 p.m.

677. Legtel 957, Sept 11. [2] It is well known that FonMins will consider Aust question and it is anticipated that some statement will be issued by FonMins which will include ref to Aust. Settlement Aust question, however, is difficult problem as you know and while we expect decisions by FonMins with respect to Aust it is doubted that any agreement reached cld be of a nature to permit issuance statement of type which wld impress Aust mind as promising settlement. Obviously, plans outlined Deptel 657, Sept 10 [3]

---

[1] Drafted by Allen and cleared with Williamson and Bonbright.

[2] *Supra.*

[3] Document 550.

even if agreed cld not be announced. It is feared, therefore, that statement which you propose issuing might unduly raise Aust hopes and lead them to expect more concrete results from FonMins than wld actually be justified by context FonMin announcement. Consequently, even a gen statement by FonMins which under normal circumstances wld be expected to boost Aust morale might fail its purpose if preceded by ur proposed statement. Suggest, therefore, that ur proposed statement not be issued.

ACHESON

---

## No. 553

*Editorial Note*

The question of the Austrian Treaty was discussed at the fifth meeting of the Foreign Ministers on the afternoon of September 13. Schuman and Morrison agreed with Acheson's recommendations that a meeting of the Deputies for Austria be called in which the United States would offer the abbreviated treaty for consideration.

At the conclusion of the Foreign Ministers meetings, a communiqué was issued on September 14 which stated, in part: "The three Foreign Ministers were unanimous in stating that in the view of their Governments there is no justification for any further delay in the conclusion of a treaty for the re-establishment of a free and independent Austria. This has been the constant aim since the conclusion of hostilities. They will not desist in their efforts to bring the Soviet Government to the same view and to that end they have decided to make a new and resolute effort in the meetings of the Austrian Treaty Deputies to fulfill the long overdue pledge to the Austrian people." (CFM files, lot M–88, Communiqué and declaration)

For the report of the fifth meeting of the Foreign Ministers in Washington and the text of the entire communiqué, see volume III, Part 1, pages 1279 and 1306.

Following these meetings, the three Foreign Ministers traveled to Ottawa to attend the Seventh Session of the North Atlantic Council, September 15–20. Assistant Secretary of State Perkins noted in a memorandum to Williamson of September 21 that "there wasn't any chance to take up your Austrian Treaty points with Morrison and Schuman at Ottawa. The tripartite meetings that we had were all hopelessly involved with Greece–Turkey problems and lasted too long anyway." (Austrian Desk files, lot 56D294, Policy on Austrian Treaty—1951). For documentation concerning

the Seventh Session of the North Atlantic Council, see *ibid.*, pages 616 ff.

---

## No. 554

663.001/9–1851: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State*

SECRET VIENNA, September 18, 1951—7 p.m.

1053. Gruber today expressed interest in our alternative plan for state treaty which Aust Leg Washington telegraphed him about. May I inform him of plans for abbreviated treaty? Gruber also expressed keen interest in continuation of DFM meetings and hopes next one will be held in October. He suggested it wld not be a brief meeting, that we shld endeavor to engage Sovs in serious discussion of treaty without reopening any of the articles. He added if Sovs refuse consider treaty then Western Powers shld be prepared to present an alternative plan. Shld Sovs reject it Gruber feels state treaty shld then be taken to UN for public discussion.

Gruber discussed state treaty with Sov political adviser here during FM meetings in Washington. Sov said his Govt has always favored signing state treaty but that two principal obstacles were remilitarization of Aust and Trieste. Gruber told Sov he wld not discuss Trieste situation, that it had nothing to do with Aust state treaty and that Sovs shld discuss it directly with the Western Powers and not introduce it in the Aust treaty negots. As regards remilitarization Gruber informed the Sov that the Sovs knew only too well that Aust is completely disarmed. The Sov indicated he wld consult his govt and contact Gruber shortly.

DONNELLY

---

## No. 555

663.001/9–1851: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, September 20, 1951—7 p.m.

741. Reurtel 1053 Sept 18 [2] Kleinwaechter informed US wld propose in tripartite discussion that Deputies mtg be held in near

[1] Drafted by Williamson and cleared with UNA and Bonbright.

[2] *Supra.*

future to ascertain on what terms Sovs wld conclude Treaty. If no solution reached West Powers wld then have to determine some alternative plan to secure settlement in order to restore Aust sovereignty and obtain withdrawal occupation forces. No info given him re abbreviated Treaty.

Although Brit and Fr agreement in principle on proposal for abbreviated Treaty has not yet been obtained no objection to discussing plan with Gruber. You shld make plain that abbreviated Treaty is US proposal only and tripartite agreement not reached. Dept considers this action desirable so that Aust Govt may be kept informed of developments re Treaty. You shld also make clear that points in present draft omitted in abbreviated Treaty still represent US policy and may require settlement by arrangements other than abbreviated Treaty.

Dept willing to consider submission Aust case to UNGA if abbreviated Treaty is subject to Four Power negots and rejected by Sovs. Reference of case to GA on basis of present draft wld not in Dept's opinion advance our objectives as it might delay settlement if unagreed articles were debated as cause of present deadlock. Consideration of Aust case in GA wld be facilitated if based on clear issue contained in abbreviated draft and debate centered on Sov blocking of settlement rather than on present minor issues.

WEBB

---

## No. 556

Vienna Post files, lot 55F125, 350—Conversations, 1951

*Memorandum of Conversation, by the First Secretary of the Legation in Austria (Kidd)*

TOP SECRET [VIENNA,] September 20, 1951.

Dr. Gruber stated that there were three matters he wished to discuss with me: the question of raising our Legations to Embassies; treaty tactics in a possible forthcoming session of the Deputies; and general long-range tactics to be followed against the Soviets.

With regard to raising the status of our respective Missions to Embassies, I informed Dr. Gruber that it was my understanding that we were all clear on this point and were awaiting formal Notes from him. He said that that appeared to be the position in respect to the U.S. Government, but so far neither Caccia nor Lalouette had received any final instructions from their Governments. Dr. Gruber said that he would not desire to make this ap-

proach to the three Western Governments without prior assurance that it would be acceptable. He had requested Caccia to communicate with his Government again, and would have an opportunity soon to do the same with Lalouette, but would appreciate it if our Government could be of any help through the British and French Embassies in Washington in firming up this matter at an early date. He said that he would like, if possible, to send out the Notes in another week or ten days time.

As regards treaty tactics, Dr. Gruber felt that it would be most desirable to confront the Soviets at the outset with the statement that the Western Powers were prepared to conclude the treaty on the Soviet terms as stated in the record.

I asked Dr. Gruber whether he meant the Soviet terms on the five disagreed Articles, No. 16, No. 27, No. 42, No. 48, and No. 48b, or the new articles and reopening of old ones, such as Article 9. Gruber said that there should be flat refusal to reopening of the old Articles or to consider new articles at this time, and that any debate should be confined to the five remaining disagreed articles.

Dr. Gruber said that he did not in fact expect the Soviets to conclude the treaty at this time. The purpose of our tactics should therefore be to lay the foundation for the subsequent political and propaganda position after we had received one more Soviet refusal. Dr. Gruber felt that the most striking vindication of the West's attitude would lie in their ability to prove that the Soviets would not even conclude a treaty upon their own terms. He felt that upon this basis could be built a most effective propaganda drive in Austria against the Soviets, a foundation for mobilizing the indignation of UN members if the case should be brought before the UN, and effective pressure to compel the Soviets to adopt one or other of the alternative texts if a short-form treaty were proposed through diplomatic channels. Dr. Gruber thus hoped to build up and focus popular and diplomatic pressure on a larger scale. He felt that there was no great point in such endeavors if there was still a possibility of armed conflict this year, and was therefore inclined to wait until November before the Deputies should meet again.

I told Dr. Gruber that it might indeed be an interesting tactic to begin by a flat announcement of willingness to accept the Soviet version of the remaining five Articles, with the thought in mind that they would refuse even this; certain of the points however, particularly Article 27, did have a genuine importance for us, and I thought that there might also be a genuine difficulty as far as the American people were concerned about opening up any diplomatic negotiations at this time with the public announcement of readiness to make further concessions to the Soviets. I said that it was our feeling that the concessions already made had gone very far,

and that we would not be inclined to make additional concessions to those which were already in the record, and thus, although I would transmit his views to Washington for the Department's consideration, I could not give any assurance that such a tactic would be approved. Dr. Gruber said that although he felt that it would be by far the most convincing lead on our part, it was not vital, since the Soviets well knew that they could easily conclude the treaty point by point if they so wished.

Dr. Gruber said that even on Article 27, the Austrians would see to it that a way was found for American military instructors to be active in Austria. He said that a number of the points from which the Soviets hope to derive advantage would be evaded by the Austrians as soon as they might be. He said that he had no thoughts of any rash steps in this respect, but that after Austria became a member of the UN it should be possible to bring her case before the UN and openly request modification of any unreasonably restrictive impositions which the Soviets might hope to enforce upon the basis of the treaty.

Gruber said that he had discussed the possibility of the treaty with Timoshenko, the Soviet Political Advisor, this morning, and he had a feeling that the Soviets might be prepared to relax their position to some extent. He said this was perhaps largely a feeling on his part. He had pressed Timoshenko, who countered with a passing reference to Trieste and dwelt at some length upon the American military fortification of Salzburg as evidence that we had no intention of concluding a treaty. Dr. Gruber replied to this that "Salzburg or Doellersheim—it is all the same", and that he was forced to conclude that the Soviet answer was NO. Timoshenko hastened to emphasize that he had not said NO and in fact had not said anything new or gone beyond that which Gromyko had already said.

With regard to the third part, general long-range tactics against the Soviets, Dr. Gruber said that he was convinced that the Soviets would withdraw from Austria only when the general power relations had so shifted in favor of the West that their continued presence here would be uncomfortable or risky. He said that he was convinced that that day would come and the important thing was to recognize it and then to utilize all means at one's disposal to increase the pressure upon the Soviets. Prior to the time when the shift in power should occur, one had to proceed cautiously lest the Soviets take the initiative in resorting to armed force; after the turning-point was reached, he was sure in his own mind that they would never fight for this small corner of Austria and therefore that pressure might be built up with impunity. He felt that this critical point of time might come about sometime within the next

twelve months and that the present period should therefore be used in preparation for this. In the present period a treaty session in November and perhaps subsequent UN discussion of the Austrian issue would keep public Austrian opinion and world public opinion alive to the problem; when the appropriate time came the Austrians might add to this various forms of passive resistance, obstructionism, public clamor, refusal to pay occupation costs, and other measures representing a systematic campaign to make the continued occupation difficult. I asked Dr. Gruber whether he felt that such a campaign could be unleashed without the risk of immediate partition. He said that in his opinion it could not now be done, but it could after Western rearmament had been accomplished.

Dr. Gruber said that, in sum, the most important consideration was withdrawal of occupation troops from this area. All tactics, treaty, diplomatic, and Austrian, should be directed toward this end; all problems would be immeasurably easier to solve once this country was emptied of Soviet forces. He felt that we might pursue this course without risk, concurrently with the withdrawal of Soviet troops, since we would still have forces at our disposal on both flanks in Italy and in Germany, and we should gain the additional advantage of an Austrian armed force of 60,000 men, which would be created immediately to assist in Western defense. Dr. Gruber said that one of the principal hindrances to tactics in this sense was the continued British and French insistence upon occupation costs. He pointed out that it was not possible to give effective expression to Austrian indignation against the Soviet occupation, as by a refusal to pay occupation costs, so long as the British and French were still demanding these payments. He foresaw that the whole question might at some time be made a subject of parliamentary discussion and publicity campaign. He was prepared to offer the British and French a certain sum for construction purposes, such as the Americans were doing at Salzburg, but no more, and he would endeavor to abolish payments for running expenses, servants, etc.

## No. 557

663.001/9-2151

*Memorandum of Conversation, by Peter Rutter of the Office of Western European Affairs*

SECRET WASHINGTON, September 21, 1951.

Subject: U.S. Proposal of Abbreviated Treaty to Austria

Participants: Dr. Kleinwaechter, Austrian Minister
Mr. Williamson, WE
Mr. Rutter, WE

Mr. Williamson outlined the U.S. proposal for reopening the negotiations for the Austrian Treaty and emphasized that the proposal for an abbreviated Austrian treaty had not yet received tripartite approval.

Dr. Kleinwaechter was informed that the new U.S. approach was to obtain agreement for an abbreviated treaty. Mr. Donnelly had been instructed to inform Dr. Gruber of this proposal. Articles 1 to 5 and 7–8 of the abbreviated treaty consist of agreed articles drawn from the present draft treaty. Article 6, which was quoted verbatim, takes the place of the agreed Article 35 on the German assets settlement. The U.S. plans to seek agreement of the French, British and Austrians to this text and to the manner in which it should be proposed to the Soviets.

The U.S. plan called for a meeting of the Treaty Deputies in the near future. The Department was now engaged in determining tactics which should be used at this meeting. In answer to Dr. Kleinwaechter's question if the abbreviated treaty would be brought up at this meeting, Mr. Williamson answered that the choice of method to be used in transmitting the proposal had not yet been decided. Mr. Williamson said that he wished to make clear that certain articles of the draft treaty which had been omitted from the abbreviated treaty remained U.S. policy and separate provision would have to be made for them, possibly by bilateral agreement. When Dr. Kleinwaechter expressed some concern at the prospect of bilateral Austrian negotiation with the Soviets Mr. Williamson replied that this would have been necessary even under the present draft Treaty.

The Department did not favor taking the Austrian case to the UN on the basis of the draft treaty because the unagreed articles could be endlessly argued. This step might be taken, however, with the abbreviated treaty where the issues were clearly drawn. Dr. Kleinwaechter pointed out that apparently Dr. Gruber in a recent speech had stressed strongly the usefulness of discussing Austria in

the UN. He expressed the hope that, in the event of Soviet rejection of the abbreviated treaty, other means might be found of lightening the burden of the Austrian occupation, possibly by revision of the Control Agreement. Mr. Williamson stated the urgent need for keeping all information about the abbreviated treaty from the Soviets until the text can be submitted through proper channels.

---

## No. 558

663.001/9-2651: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

SECRET WASHINGTON, September 26, 1951—3 p.m.

1680. US position paper WFM T-7b entitled "Austrian Treaty", [2] copies sent you Sept 5 [7?] , contains text our proposal new short text Treaty which was given prelim consideration at recent Washington FonMin talks. Brit and Fr Embs Washington previously furnished text our proposal.

As basis for future negots we prefer new abbreviated draft to present draft which is punitive and out of date. We do not plan abandoning present draft at this stage but will hold it in reserve awaiting future developments. Although West may be forced by circumstances to negotiate on basis old text, wld prefer not to do so. Long draft still represents US policy in most respect and certain points not included in new text wld necessarily have to be treated subsequently in some other form, perhaps through bilateral negots with Aust. New text is so favorable to Aust that there shld be no question as to Aust acceptance, leaving for later consideration other matters concerning which she will desire ultimate settlement.

Proposed new text incorporates minimum number arts from text already agreed considered essential to establish Aust independence and secure withdrawal occupation forces. Only new element is Art 6 which wld reverse position on Ger assets Aust by providing for relinquishment to Aust all such assets by each of occupying powers including Sovs. Believed this position can be amply justified by unwarranted extent to which Sovs have already milked such assets in their zone during period they have blocked negots on Treaty. New text has additional advantage of presenting Sovs with direct issue which they must face by (1) rejection (2) acceptance or (3) making a

---

[1] Drafted by Allen and cleared with Colladay, Williamson, and Perkins. Repeated to Paris, Vienna, Moscow, and Frankfurt for Reber.

[2] Document 549.

new proposal of their own, thus bringing Treaty issue out into the open from its present stalemate which cld continue indefinitely if long draft retained as basis for negot. Outright Sov rejection new text shld greatly enhance West propaganda position and strengthen our hand in any eventual submission matter to UN.

Suggest preamble to new text be similar agreed preamble except paras 3 and 7 thereof shld be dropped as inappropriate.

London and Paris requested seek agreement Brit and Fr FonOffs new text and concurrence in desirability early tripartite consultation Aust Govt in order obtain its official views on new text.

US proposal with respect to procedure and tactics designed accomplish presentation new text to Sov Govt will follow.

ACHESON

---

## No. 559

663.001/9-2851: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

SECRET LONDON, September 28, 1951—6 p.m.

1565. 1. In accordance instrs contained Deptel 1680, Sept 26 (sent Paris 1803, Vienna 780, Moscow unnumbered, Frankfort unnumbered) [2] EmbOff met with Harrison, Allen and Minford FonOff today to seek Brit agreement on US draft abbreviated treaty for Aust. Harrison said instrs sent Sept 22 to Brit Emb Wash setting forth FonOff's views on subj for communication Dept, and after reading pertinent sections of message asked Allen to give fol elaboration Brit position.

2. FonOff not inclined favor use US draft for present because:

(a) Belief that Austs do not desire this new step. This based on report by Caccia of conversation with Gruber in which latter had expressed misgivings re abbreviated treaty, which had presumably been discussed with him informally by Amer Leg Vienna, on grounds that there was practically no chance Sov acceptance.

(b) From propaganda standpoint Sov reaction might be that we were tearing up "already existing agreements" on other articles of present treaty.

(c) Main objective was to get treaty signed and Brit do not feel abbreviated draft wld get us any further ahead.

---

[1] Repeated to Paris, Vienna, Moscow, and Frankfurt for Reber.

[2] *Supra.*

3. Reiterating that aim was to get Sovs out of Aust as quickly as possible, Harrison suggested fol procedure:

(a) Allow month or so to elapse to see if Trieste and Ital treaty questions can be resolved.
(b) Full consultation by West HICOM in Vienna with Aust Govt to determine latter's wishes. (Throughout conversation FonOff reps laid great stress on necessity proceeding only with approval of Austs; Harrison said they believed reaction in Aust was more important than cold-war or propaganda aspects.)
(c) Call meeting of treaty deputies to see if Sov position has changed since December. If Sovs wld consent not reopen any agreed articles, FonOff wld accept Sov version of recent four disagreed articles in order to get treaty. Also if this sole remaining point at issue, Brit wld accept Sov amendment Art Nine.
(d) In event Sovs prove as intransigent as ever, consideration shld then be given to introduction of abbreviated US draft.

4. Emphasizing he not yet instructed on procedure Dept intends propose, EmbOff asked whether procedure suggested by Harrison might not be telescoped into short period once deputies were in session, i.e., short adjournment of two or three days if Sovs prove adamant O.K. former disputed points or dwell on extraneous issues, and then further meeting at which new draft cld be introduced. FonOff reps thought this procedure merited consideration. Wld appreciate Dept's views.

5. Agreed that further discussion wld await outcome Brit Emb's approach to Dept.

GIFFORD

## No. 560

663.001/10-251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Acting Secretary of State* [1]

SECRET VIENNA, October 2, 1951—7 p.m.

1206. Deptel 1680 to London Sept 26, rptd Paris, Moscow, Frankfort, and Vienna, [2] and London's 1565 to Dept Sept 28 rptd Paris, Moscow, Frankfort, and Vienna. [3]

Part I. Leg comments on abbreviated text Aust treaty follow in 3 parts, with reference to political, German assets, and legal aspects, of which this part one.

[1] Repeated to Paris, London, Moscow, and Frankfurt for Reber.
[2] Document 558.
[3] *Supra*.

In Leg's view, main objective remains that of obtain withdrawal of Sov troops from country, and the advantages of evacuation, if it were possible, are sufficient to justify giving Sov one more opportunity to conclude treaty on basis old text. This, however, they appear most unlikely to do, and fact that Sovs even less apt at this time to accept abbreviated text than old text does not justify inference that they might settle for old text. It appears to us they will continue to find excuses for not signing until they are ready on political grounds to evacuate this country, and that there is little prospect of the latter until either the general political antagonism is reduced or the progressive shift of military power to the West makes it hazardous for them to continue maintaining military forces here.

Sovs have in fact given clear indication their position in any forthcoming treaty discussion by blast in AC Sept 28,[4] which resembles similar charges advanced in AC March and April 1950 and repeated by Zarubin at 252 deputies meeting (ref para 6 USFA, PC 22187, Dec 9, 1949; para 7, PC 22354, Dec 2, 1949; PC 24222, March 31, 1950; PC 24313, April 14, 1950; PC 24403, April 1950; London Delau 453, rptd Vienna 95, April 27, 1950 [5]). Sov charges re remilitarization West Austria may be used either in conjunction with charges on West German rearmament and Trieste military base or as substitute for awkward Trieste maneuver which led to countercharges re Sov breach of satellite treaties.

In these circumstances, question becomes one of best tactic for maintaining political and propaganda pressure to induce them to decide upon withdrawal as less disadvantageous course. Equally important is question of type of treaty that will best reflect prevailing positions and purposes of the respective signatory powers at time of signature and ratification. On both of these scores we very much favor abbreviated text proposed in Deptel 1680 to London Sept 26 rptd Paris, Vienna, Moscow and Frankfort.

In Leg's view, there is no longer any great pressure value in old text which envisages Aust settlement in terms of 1946 conceptions and the recently concluded satellite treaties. Only enthusiasm this text awakens in Austs is that it represents what appears to be sole chance of obtaining withdrawal of troops. Propaganda advantage a better basis for possible UN action to be derived from intelligible clear-cut provisions of abbreviated text, especially with new article 6, are obvious. This advantage appears to us to greatly outweigh charge of inconsistency involved in tearing up "already existing

---

[4] Regarding the September 28 session of the Allied Council for Austria, see telegram 1173 from Vienna, Document 510.

[5] None printed.

agreement" on other articles of present draft and Potsdam provisions on German assets. In our view, it is less important to maintain consistency with old provisions of agreed articles than to assume position compatible with current German, Italian, and Japanese settlements. Moreover, teeth can be drawn from objection by making final offer to conclude treaty on basis of old text at forthcoming meeting of deputies, and tactically it would remain within our power to assent to old text if Sovs fell back on this as their main argument.

Gruber informed Leg he believed some misunderstanding in views attributed to him by Brit FonOff (London 1565 to Dept Sept 28 rptd Paris 599, Vienna, Moscow, Frankfort), which he had clarified with Caccia today. Gruber stated misapprehension might have arisen from earlier conversation dating several weeks back before he had learned in detail of Depts proposal re abbreviated text. Gruber laid particular stress on sequence of steps in following order: 1, call meeting deputies; 2, serious effort to conclude treaty on basis old text; 3, when apparent that step two had failed, West deps to table new proposal of abbreviated text; 4, accompany step three with strong propaganda drive to mobilize public opinion for subsequent action, possibly in UN. Gruber stated that he had always felt best type of treaty was "evacuation treaty", to which he considered deps abbreviated draft admirably adapted. These were Gruber personal views, since Aust Govt had not entirely concluded its study of proposal. Re question of timing Gruber has previously indicated he might be agreeable to postponing his mission until December if this suited our purposes better, which would provide opportunity to make progress on Trieste and Italian treaty question.

Leg would defer to Dept's views concerning procedure for presenting abbreviated draft, but is inclined to favor taking step at deputies meeting with simultaneous approach through diplomatic channels Moscow, as at Paris meeting last spring. This would provide a break in deps session for a few days while Sovs dep communicated with Moscow but would keep stage set for West deps if Sov reply turned out unsatisfactory.

DONNELLY

## No. 561

663.001/10-251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Acting Secretary of State* [1]

SECRET VIENNA, October 2, 1951—7 p.m.

1207. Part II. Leg comments on abbreviated Aust Treaty: Substitution new Article 6 for previous Article 35.

In analysis Sov reaction to proposed replacement of Art 35 by new Art 6, Leg expects Sov to echo Western protests on Sov amendment to Art 9 that reconsideration of already agreed articles inadmissible. Sov will probably also charge violation of Potsdam Agreement. These protests can be discounted as propaganda rather than real concern for further delay if Sovs turn down opportunity to conclude old text or abbreviated text with Art 35 included. On propaganda basis, every advantage to be derived from new Art 6 which will receive unanimous approval of Aust population and isolate Sov as only power still seeking spoils at Aust expense.

Analysis of postwar Sov economic benefits from occupation would include industrial removals, war booty, production exported without benefit to Aust economy, operational profits, and occupation costs. Doubtful that definitive figures can be produced, but estimates from earlier studies being revised on basis latest Aust Govt info. Value of industrial removals in Sov Zone has been variously estimated at $100 to $200 mil; more precise study of early Sov removals from Brit and US Zones alone, places their value at $92 million. Total occupation costs recd by Sov to date 2,358.4 million schillings in addition to 400 million schillings recd on "Soviet loan" settlement at time of 1947 currency conversion. It shld be noted that Aust Govt suffered tax losses on USIA operations estimated by Ministry of Finance at more than half billion schillings 1946 thru 1950, plus Sov exploitation of Brit and Amer oil companies by extracting rebates. Supporting papers these points will be despatched this week.

DONNELLY

[1] Repeated to London, Paris, Moscow, and Frankfurt.

## No. 562

663.001/10–251: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Acting Secretary of State* [1]

SECRET VIENNA, October 2, 1951—7 p.m.

1208. Part III. Leg comments on abbreviated Aust treaty:

*Legal.*

Suggest for current tripartite discussions possible arrangements to cover substance of articles 38(3), 39, 42, 44(2), 45(2), 48 and annex IXB(1), which may be required in view of disability of claimants to bring suits against former Ger holdings in Sov Zone during occupation. Some of these matters probably can be covered only by secret assurances of Aust Govt which would not be binding on future Aust Parliaments, but desirability of a treaty warrants relying on the moral effect of such secret commitments and our future influence. Presume Aust declaration of September 1949 on elimination of Ger assets would be revised in light of art 6 of abbreviated treaty.

Although it might detract from striking force of concise text from legal point of view it wld be advantageous if present text of Art 39 clauses on waiver of Aust Govt's claims against allies and possibly Art 44 (1) without its present restrictive title, could be included in abbreviated treaty. Broad scope of Art 44 (1) would cover most of article 42 problems, and could be accompanied by secret understanding with Aust Govt, substance of which could be made public prior to treaty ratifications, that its provisions will be satisfied by natl treatment under existing restitution laws and reasonable extension of time to file claims. If this not feasible, questions of alternative arrangements cld be explored in tripartite discussions. Leg's analysis and comments on possible extra treaty arrangements being prepared for despatch Dept next week.

DONNELLY

[1] Repeated to London, Paris, Moscow, and Frankfurt for Reber.

## No. 563

663.001/9-2851: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, October 2, 1951—8 p.m.

837. Fol recommendations for tripartite discussions procedure and tactics for Aust Treaty take into consideration Brit views as presented by Emb Sept 27 (memo pouched) [2] and London's 1565 Sept 28 [3] and preliminary Fr view (Paris 1943 Oct 1). [4]

We consider Aust agreement on procedure is key point and agree with Brit that tripartite consultation be held with Gruber at early date. Principal objective is obtained Four-Power settlement restore Aust sovereignty and permit withdrawal occupation forces. In our opinion present draft Treaty cannot be concluded even with concessions to Sovs suggested by Brit FonOff.

We wld have extreme difficulty in obtaining ratification if complete concessions were made now to accept Sov text unagreed arts and if agreed arts were reopened for Sov amendment. Present punitive and outmoded draft Treaty no longer represents Aust's status or requirements. Concessions in past to obtain agreement were made in vain hope that Sovs wld conclude Treaty as a whole. Therefore, we prefer abbreviated Treaty which represents a correct implementation of Moscow Declaration and contains all elements required for restoration Aust sovereignty, as well as for reasons outlined para three Deptel 1680 London, 1803 Paris, 780 Vienna. [5] Abbreviated text is practical proposal which simplifies issues and makes possible extensive political and diplomatic pressure on Sovs. If Sovs modify policy in Central Europe, agreement on Aust might possibly precede other steps in larger areas. If they do not modify policy no Aust settlement can be reached in foreseeable future on

---

[1] Drafted by Williamson, Allen, and Rutter and cleared with Bonbright. Repeated to London and Paris and sent by pouch for information to Moscow and Frankfurt for Reber.

[2] The memorandum described British First Secretary Jamieson's conference at the Department of State on September 27 during which he made known the British Foreign Office's position on the abbreviated treaty. (663.001/9-2751) His statements largely reiterated the evaluation contained in telegram 1565 from London, Document 559.

[3] *Ibid.*

[4] In telegram 1943, Ambassador Bruce informed the Department of State that the French Foreign Ministry desired more information before it formulated its position. However, the Foreign Ministry did express concern along with the British that this procedure might result in the Soviet Government accusing the United States of "tearing up" the existing agreements on other articles of the treaty. (663.001/10-151)

[5] Document 558.

any basis. It shld be made clear to Gruber that our objective is a settlement and not merely propaganda. If settlement cannot be reached we wld seek maximum pol benefit from Sov long term refusal to conclude Treaty and West willingness withdraw occupation forces on basis agreed settlement. Our policy wld continue support Aust unity in spite occupation and preserve maximum authority Aust Govt.

Abbreviated text, therefore, designed to get best Aust settlement possible. Fol alternative plans proposed as basis tripartite discussions:

1. Invitation through usual channels for Deputies' mtg London on Oct 15 or such other date recommended after consultation with Gruber. Action shld receive full publicity and perhaps be accompanied by simultaneous publication White Paper on previous negots. West Deputies wld present summary negots to date and outline issues preventing agreement. Abbreviated Treaty wld be proposed forthwith at this mtg. West proposal cld be based on grounds if agreement cannot be reached on present draft, disputed issues be omitted and settlement made on agreed arts in abbreviated text plus Art Six which can be justified by Sov control assets during interminable negots. To prevent risk that Sov Deputy wld drag out negots for another 258 mtgs and not present issue to Sov Govt in manner requiring definitive action text shld be transmitted to Moscow by diplomatic note.

Alternative 2. Deputies' mtg on agreed date to negot on present draft. Sov Deputy shld be asked if he is prepared to conclude present draft and negot on this basis. In this event West might be forced to make substantive concessions if Sovs prepared to conclude present draft. Dept does not agree with Brit proposal that Sov version all unagreed arts be accepted or to reopen agreed arts in present draft or consider matters extraneous to Treaty. If this mtg does not elicit Sov willingness to conclude draft Treaty at early date West Deputies shld refer matter to govts for consideration. West shld then transmit abbreviated text to Sov Govt via Embs Moscow and give complete publicity including publication White Paper.

In either case West shld agree to transmit proposal to Sovs in effective manner designed to obtain Sov agreement on favorable settlement. We prefer alternative one for its emphasis on bare essentials for Aust settlement, its significant omission of unnecessary and outmoded articles, and issue it wld present to Sov Govt. We recognize difficulty of resuming negots on present draft if Sovs categorically refuse to discuss abbreviated Treaty. Alternative two less favored because it involves making new proposal immediately after failure to obtain acceptance old draft. In any event, both alternatives open us to charge by Sovs and possibly in Aust that action wld scrap present treaty and is for propaganda purposes with no hope of acceptance. Sovs by delaying tactics have already in effect

scrapped draft. Any sweeping proposal to break deadlock wld provoke similar charge but we consider it essential to maintain initiative in negots and to oppose Sov intransigence.

London and Paris shld discuss these alternatives with FonOff. Vienna shld attempt to obtain some definite view from Gruber on US proposals and indication of tactics which Aust Govt wld prefer. Our views in this respect are identical with those of Aust Govt in that we hope to obtain favorable Treaty soon as possible.

WEBB

---

## No. 564

663.001/10-351

*Memorandum of Conversation, by Edgar P. Allen of the Office of Western European Affairs* [1]

SECRET [WASHINGTON,] October 3, 1951.

Subject: Austrian Treaty

Participants: Mr. Kenneth Jamieson, British Embassy
Mr. Pierre Francfort, French Embassy
Mr. Colladay, WE
Mr. Rutter, WE
Mr. Allen, WE

In response to our inquiry, Messrs. Jamieson and Francfort each stated that they had no further information to provide concerning the views of their respective foreign offices on the U.S. proposal for an abbreviated text of the Austrian Treaty. The contents of the Department's telegram (1788 to London, 1941 to Paris, 837 to Vienna, Oct. 2), [2] outlining the Department's proposals on procedure and tactics were then summarized for the information of Messrs. Jamieson and Francfort.

A discussion then took place along the same general lines of the conference of September 27 with Mr. Jamieson. [3] Mr. Jamieson indicated surprise that the Department should have recommended a date as early as October 15 for the proposed meeting of the Austrian Treaty Deputies, stating that his Government would prefer that the meeting be postponed until after the Trieste issue has been settled. In reply, it was stated that this government is of the opinion that the proposed meeting should be held at the earliest feasible date with a view to maintaining continued diplomatic pressure on

---

[1] Copies sent to Vienna, Paris, and London.

[2] *Supra.*

[3] See footnote 2, *supra.*

the Soviets, without a time lag which might detract from the effectiveness of our proposal. Our position is that we admit no connection between Trieste and the Austrian Treaty issue; that our present propaganda position with respect to Trieste is certainly no worse than it has been in the past; and that, assuming the Trieste issue were settled to the satisfaction of the West, the Soviets would either (1) find reason for renewed propaganda on Trieste, or (2) adopt some other extraneous issue as a reason for blocking the treaty as they have in the past used the issues of demilitarization, denazification, Article 48 bis, etc. We expressed the hope, therefore, that there could be tripartite agreement after consultation with Gruber on an early date for the next meeting of the Treaty Deputies.

Mr. Jamieson was informed (at a point in the meeting at which Mr. Francfort was not present) that Caccia's report concerning Gruber's views on the abbreviated text apparently resulted from some misunderstanding based on conversations prior to the receipt by Gruber of details concerning the U.S. proposal and that this misunderstanding was clarified in a conversation between Gruber and Caccia on October 2. We have no reason to believe that the Austrian Government will not concur in this Government's proposal for an abbreviated text.

Messrs. Jamieson and Francfort were informed that the Department is prepared to furnish a preliminary draft of a proposed White Paper on the Austrian Treaty which could be used as a basis for tripartite consideration in order to assure adequate publicity for the Austrian Treaty issue following tripartite agreement on the program.

In reply to Mr. Francfort's inquiry the view was expressed that there must necessarily be tripartite agreement on the entire program prior to the meeting of the Treaty Deputies.

During the discussion of British fears that the Western powers may be laying themselves open to a Soviet accusation that they have in effect scrapped the old draft treaty the view was expressed that: (1) Western tactics would have to be carefully planned in order to avoid any direct statement that we are or are not scrapping the old draft treaty, and (2) the Western position should be made clear in the proposed White Paper as well as at the next meeting of the Treaty Deputies that the West has been consistently ready to conclude the Treaty on the basis of the old draft but that it has been unable to do so solely because of Soviet unwillingness to conclude the Treaty.

It was agreed by all concerned that should active negotiation of the old draft treaty be undertaken at the next Treaty Deputies' meeting, prior tripartite agreement would be required as to the tac-

tics to be pursued and the extent to which the Western powers would be prepared to accept Soviet versions of the five unagreed articles. It was stated in this connection that the U.S. Government is not prepared to accept the Soviet versions of all the unagreed articles inasmuch as, aside from being undesirable under present circumstances, such action on our part might well lead to a refusal by the U.S. Senate to ratify the Treaty.

---

## No. 565

663.001/10–551: Telegram

*The Ambassador in France (Bruce) to the Secretary of State* [1]

SECRET PARIS, October 5, 1951—2 p.m.

2026. Depts 1803, Sept 26 and 1941 October 2 (sent London 1680 and 1788, rptd Vienna 780 and 837).[2] Proposed procedure and underlying reasoning with respect to abbreviated Austrian treaty were discussed at length today with Sauvagnargues (chief, FonOff central Eur div), d'Aumale (his deputy) and Koenig (Aust desk officer).

Although agreement was registered on Dept's estimate of over-all conditions under which Austrian settlement can be expected and on substantive merits of abbreviated treaty, and although FonOff far from sanguine about chances obtaining any Austrian treaty in foreseeable future, wide divergence still exists in estimate of psychological consequences introduction of abbreviated treaty draft. FonOffs appraisal of these psychological aspects will be contained in *aide-memoire*, essential points of which will apparently be following:

(1) Regardless of intrinsic merits of abbreviated treaty, its introduction at this time will in FonOffs view be widely interpreted as evidence of lessened interest on our part in agreement with Soviets on Austrian settlement. Fr think Austrians will share such impression.

(2) While Soviet policy toward Austria may not be immediately affected, and while time when Soviets become ready to settle the issue will continue to be dependent upon other factors, we would be introducing new heavy prestige factor militating against conclusion of treaty even when conditions otherwise might be propitious.

(3) Pressure which we can exert on Soviets will be substantially less than that which we can exert at present, since world opinion cannot help but note that "whereas at present only very narrow

---

[1] Repeated to London, Vienna, and Frankfurt.

[2] Documents 558 and 563.

gap needs to be closed for treaty to be completed, area of disagreement will have been widened tremendously by our initiative".

Fr have no information yet on Austrian Govt attitude toward abbreviated treaty, and will probably not attempt to influence such attitude. It appears doubtful, however, whether Austrian endorsement of our proposal would materially change Fr attitude, which seems to have been coordinated with Brit, since Sauvagnargues repeatedly referred to adverse effect on "Fr and Brit public opinion", if abbreviated treaty were to be introduced. [3]

BRUCE

[3] For a more detailed account of this meeting, see the letter by Martin F. Herz, Document 567.

## No. 566

663.001/10-551: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

SECRET LONDON, October 5, 1951—6 p.m.

1690. 1. At further mtg with Harrison and Allen Emb offs outlined Dept's views on procedure and tactics for Aust treaty talks as given in Deptel 1788 Oct 2 (sent Paris 1941, Vienna 837, pouched Moscow, Frankfort). [2] FonOff reps appeared more receptive to idea of abbreviated treaty than at previous discussion (Embtel 1565, Sept 28 [3]) altho still not willing to commit themselves to it.

2. Harrison said Brit "basic analysis" is that Sovs will not accept treaty in any form at present time and hence there is "no chance" of Sov withdrawal from Aust. Introduction of abbreviated draft wld in effect constitute "decision in principle" to abandon old draft, as he seriously doubted west cld ever get back agreements in present draft once new draft is brought forward. Strongest arguments which he saw for abbreviated draft were:

(a) Present draft is punitive and out-of-date;
(b) Difficulty of obtaining Senate ratification for treaty along lines present draft and possibility Parl objections as well.

3. FonOff reps did not indicate which of alternative plans proposed in Deptel they wld prefer shld UK decide go along with ab-

[1] Repeated to Paris, Vienna, Moscow, and Frankfurt.
[2] Document 563.
[3] Document 559.

breviated treaty. However, they did point out that it wld be practically impossible issue invitations for deps mtg Oct 15, particularly in view current election campaign which will preoccupy Mins. Also recalled Morrison's expressed desire to see if Trieste issue cld be settled before proceeding with further negots on Aust treaty. While reiterating Brit desire for fullest consultations with Austs, FonOff reps admitted wld be necessary have tripartite agreement in principle before approaching Austs.

4. Both Harrison and Allen emphasized that Brit are concerned re strategic and security aspects of withdrawal troops from Aust. Views of Brit mil auths are being requested. FonOff legal experts also being consulted re suitability and effects abbreviated draft.

5. Allen asserted that much depends on manner in which abbreviated draft would be presented to Sovs, i.e., whether it wld be as ultimatum on take-it-or-leave-it basis or as one of two possibilities for concluding treaty. This point wld require careful tripartite consideration.

6. Allen thought additional point in favor of new draft was fact that Schoarf told Lord Henderson last year that if present draft were concluded, Austs wld immed seek revision certain arts. Both Harrison and Allen agreed with Emb off that no advantage to be obtained by allowing Aust situation to drift along as at present; in fact this course had positive disadvantages, not least of which might be growing desire for Anschluss with West Ger. Allen agreed that this fall is propitious time for new move on Aust since Sovs are backing Grotewohl proposal in Ger with usual barrage of "peace" and "unity" propaganda. To refuse generous settlement in Aust might be serious embarrassment to Sovs, particularly vis-à-vis West Ger.

7. Emb inclined believe that Brit will come around to acceptance of abbreviated draft after mil and legal aspects fully examined. Anticipate however, that they will not be prepared have deps meet before mid-November, and will probably favor procedure along lines of that given alternative 2 in Deptel.

GIFFORD

## No. 567

663.001/10-1051

*The Second Secretary of the Embassy in France (Herz) to the Deputy Director of the Office of Western European Affairs (Williamson)*

SECRET INFORMAL PARIS, October 10, 1951.

DEAR MR. WILLIAMSON: I would like to tell you a bit more about the meeting which produced our 2026 of October 4 [5] [1] because I felt rather sick after that meeting and want you above all to know that the abbreviated Treaty received the most earnest, thorough and spirited exposition and defense that I knew how to put forward. I've been a little afraid that you might think we let you down, particularly since London seems to have succeeded in budging their opposite members a little. As for me here, the plain fact is that I was addressing an exceedingly hostile jury, on which all my piety and wit seemed to be lost. I know those birds very well by now, and I can recognize it when that hard gleam gets in their eyes. We did not report all the counter-arguments they brought up against the abbreviated Treaty, because it didn't seem necessary at the time. Meanwhile, however, your kind letter of October 2 [2] has arrived, giving me a welcome occasion to expatiate on this subject. For you ought to know how tough the situation is here.

Among the arguments that Sauvagnargues most persistently adduced, and it is perhaps chiefly a rhetorical argument, is that our abbreviated Treaty is a "Japanese" treaty, that it was possible to sign such a treaty in the case of Japan because the signature of the Soviets was not required, but that in the case of Austria the whole point is to get the Russians to agree to something, and that consequently it is regrettably irrelevant that the present treaty is not in keeping with treaties that we have been able to conclude or revise without the Russians. In fact, he quoted to me M. de la Palice, than which there is little more condescending. (M. de la Palice is the French expert in tautology, who remarked for instance upon the death of a friend that "only one minute before he died, he was still alive.") Nothing could be truer than that the present treaty draft is much less satisfactory, he said. But isn't that precisely because we are negotiating with the Russians in this instance, and must produce a document that they are willing to buy?

His argument about the effect which the proposal would produce is that whereas at present we can convince the world that the Russians are using the flimsiest pretexts for not concluding a treaty

[1] Document 565.
[2] Not printed.

(Trieste being the finest example of their flimsiness), if we suddenly withdraw the tender of some $150 million which we had agreed upon as a ransom for Austria, the world and in particular the Austrians cannot help but conclude that we are somewhat less eager at present for agreement with the Russians than we were during the long years when that tender of ours was still extant. He even went so far as to say that no amount of propaganda would prevent the impression in many French and British circles that we had deliberately sabotaged the treaty negotiations by withdrawing our previous approval. The argument that the Russians had already sabotaged the negotiations would not change the propaganda picture, he said, since we would in effect be claiming that since the Russians had refused to sign the treaty when only an inch remained to be traversed, we are thereby justified in widening the distance by a mile. As you can see, Sauvagnargues has a talent for missing the principal point with his colorful statements. He is, incidentally, Schuman's fair-haired boy and his position papers have a habit of getting more or less automatically approved in the Ministry.

As to the tactics involved, in getting the situation moving again (the Department's telegram spoke of "maintaining initiative in negotiations and opposing Soviet intransigence"), Sauvagnargues again used very colorful language. I always learn new French colloquial expressions on such occasions (which are, however, fortunately very rare). He said: "Je vous fiche mon dernier billet"—I'll bet you my bottom dollar—that if that document is introduced, the Russians won't give you the pleasure of negotiating at all any more. The rest of what he said closely paralleled what I have already written you, about the Russians claiming, in such a case, that the western powers have given proof that they had never meant to conclude a treaty, etc. In other words, the French don't share Vienna's view that one could still fall back on the old text. They think that the Soviets would be careful not to let us do that, since they would be in an excellent position to refuse further negotiations.

If you ask me, the chief trouble is that the French do not have the kind of Congress and public opinion to contend with that we have in the United States. Of course, there are some people here who aren't sure at all that any treaty at all should be concluded (notably the Chairman of the Assembly's Foreign Relations Committee), but if the present treaty were to be signed I think the general reaction here would be favorable. In any event, if you want me to make another try, please give me the word and I shall go back into the ring with my friend Sauvagnargues—presumably after the French have favored us with their *Aide-Mémoire* on the subject. I have won battles with them in the past, and they may come

around also in this instance. On the other hand, you should know that this case does not look very promising from where we are sitting. I am sorry to be the bearer of such ill tidings, but this background may be helpful to you in assessing the desirability of pushing further ahead.

When will we have the pleasure of seeing you over here?

Sincerely yours,

MARTIN

---

## No. 568

663.001/10-1151: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, October 11, 1951—7 p.m.

1327. Deptel 837, to Vienna Oct 2, rptd 1788 to London, 1941 to Paris, unn Moscow and Frankfort. [2] Brit HICOM and I met yesterday with Gruber to ascertain his views on plans for DFM meeting and strategy in connection with the proposed abbreviated treaty.

Caccia stated that his govt had not yet made final decision and before doing so wld wish to know attitude of AusGov. Gruber stated that his personal view, which he thought wld be endorsed by Cabinet, was as follows: He suggested that the powers wait until Nov 15 before fixing time and place for next meeting, in view of Brit elections and possibility of ascertaining Sov intentions by developments in Korea. Whatever our analysis of situation shld be in Nov, Gruber wld recommend meeting of deputies in Dec, where West powers shld make serious effort to conclude treaty on basis of existing draft. Gruber felt West powers shld show readiness to go a long way, if not all the way, to accept Sov text of outstanding articles. He did not of course expect us to reopen already agreed articles. Gruber states that acceptance of Sov text of Articles 42 and 48 wld not constitute concessions to Russians but to AusGov in return for which AusGov was willing to make necessary arrangements on the side with us. This left only Article 16 on which French might have strong feelings, and Art 27, on which he understood US Govt wished to stand firm. Gruber felt if necessary negotiations shld be continued for ten days or fortnight.

If it became obvious that Sovs were determined again to prevent progress Gruber foresaw short recess in order to give deputies op-

[1] Repeated to London, Moscow, Paris, and Frankfurt for Reber.

[2] Document 563.

portunity to report to their govts, and upon resumption of session West powers might present abbreviated text, not as a treaty but as an instrument "for vacuation of Aust." Gruber felt that latter was desirable for sake of Aust public opinion, which might receive shock if they had impression that moves signified final breaking off of treaty negotiations with little hope of agreement on Aust settlement in near future. If designated as an instrument to secure withdrawal of occupation, it wld be more readily understood and welcomed, and wld avoid imputation by Sovs that we were scrapping present treaty because we did not wish to evacuate country. Gruber stressed importance of coordination in preparing Aust public opinion for change-over from state treaty to this instrument and also insure that Aust and West powers obtain full propaganda advantages from the move.

In view of these considerations Gruber recapitulated his recommendations as follows: (1) In light of our judgment of Sov intentions at the time, take final decision in mid-November about tactics for meeting of deputies in Dec; (2) at meeting of deputies make determined effort to get Sovs to discuss and endorse outstanding articles of present text, in which we shld be ready to accept Sov texts so long as any hope of progress; (3) if no progress after ten days or fortnight adjourn for consultation with govts and preparation of Aust public opinion; (4) upon reconvening, present abbreviated text as instrument for purposes securing immed end of occupation and liberation Aust in accordance with Moscow declaration 1943.

Gruber said we shld not tie ourselves in our planning but retain flexibility, and he wld appreciate our keeping in close touch with Aus Gov throughout. Gruber added that if Sov continued to obstruct negotiation, he favored UN as best forum for bringing question before world opinion. He did not contemplate UN itself reaching agreement over outstanding articles, but that open discussion in this forum might at least lead to general resolution recommending that four powers terminate occupation, which wld be awkward for Sovs.

Caccia is making similar report to FonOff. Gruber stated he wld inform French HICOM of views expressed to us, which we shall also confirm.

DONNELLY

## No. 569

663.001/10-551 Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, October 13, 1951—5:47 p.m.

944. Ref London's 1690 Oct 5 rptd Paris 646, Vienna 88, Moscow and Frankfort unn [2] and Paris 2026, Oct 5, rptd London 504, Vienna 52, Frankfort 232. [3]

In light reftels Dept believes desirable ascertain whether Brit caution and Fr uncertainty due to: (1) objections on secondary issues such as timing, procedure, and concern over pts omitted from abbreviated treaty, (2) growing conviction that Western forces shld not be withdrawn from Aust, (3) unwillingness to disturb *status quo* on grounds no way exists to break Aust deadlock.

In absence any Brit or Fr substantive objection our proposal, it is hoped they will be in a position indicate agreement in order West reps Vienna may obtain views Aust Govt early date. We believe Gruber's views (Vienna tel 1327 Oct 11 rptd London 73, Paris 120, Moscow 22, Frankfort 142 [4]) not necessarily irreconcilable with ours although presentation of abbreviated text as evacuation instrument rather than treaty not feasible because such an approach wld leave Ger asset question unresolved and wld not allow time for estab security forces through control of ratification date. We believe Aust public opinion can be prepared for switch by white paper and adequate publicity.

No objection selection Nov date for mtg if agreement on program as a whole wld be facilitated but consider undesirable postpone meeting to Dec. Our pt is we feel initiation program shld not be unduly delayed. We think it important take early action in order gain maximum effect by capitalizing Jap, Ger, Ital developments. Aust proposal wld be additional step maintenance dipl pressure on Sovs which if time lag not too great and promptly capitalized cld produce desired result ending present treaty stalemate. We have no thought of issuing proposal as ultimatum as suggested by British but wld anticipate possible Sov counter-proposal as outlined Deptel 1680 to London (Paris 1813, Vienna 780). [5] If, for example, West

---

[1] Drafted by Allen and Rutter and cleared with Higgs, Williamson, and Perkins. Repeated to London and Paris and sent by pouch to Moscow and Frankfurt for Reber.

[2] Document 566.

[3] Document 565.

[4] *Supra.*

[5] Document 558.

proposal shld be announced prior to or during sessions World Peace Council Vienna early Nov, we feel Sovs wld be placed in embarrassing position by receipt serious offer Aust settlement at time they were proclaiming to world their peaceful intentions and desire for peaceful settlements. Consider maximum effectiveness our program will be lost if we allow our indecision provide Sovs opportunity introduce their own proposal for Aust settlement perhaps along lines Grotewohl proposal in Ger or possible suggestion CFM.

London and Paris requested urge Brit and Fr agreement in light foregoing. [6] We do not insist on US suggestions procedure and tactics but if they agree our analysis and basic conception abbreviated treaty they shld either concur in our recommendation or submit for consideration their own counter-proposals. Vienna inform Aust Govt of above except first para. Emphasize need for treaty and explain that if question referred to UN we wld prefer to do so on basis abbreviated treaty because of simplicity and clear focus on essentials of settlement. [7]

ACHESON

---

[6] In telegram 2225 from Paris, October 16, Bruce informed the Department of State that French opposition to the idea of proposing the abbreviated treaty had hardened because of their firm belief that the Soviet-created treaty deadlock could only be broken by the Soviets, not by actions on the part of the Western Powers. (663.001/10-1651)

In telegram 1887 from London, October 17, Gifford told the Department that it would be extremely difficult to get decision on tactics and procedure concerning the Austrian Treaty prior to the elections on October 25. He also noted that the British relied heavily on Gruber's opinion which favored a more leisurely pace. (663.001/10-1751)

[7] In telegram 1383 from Vienna, October 16, Donnelly stated that Gruber was not enthusiastic about the abbreviated treaty except as a tactic to be employed after a breakdown in the deputies' negotiations on the old text and then primarily as an alternative means to be employed for purposes of pressure. Gruber did not believe the Soviets would agree to the abbreviated treaty. (663.001/10-1651)

## No. 570

Austrian Desk files, lot 56D294, Policy on Austrian Treaty—1951

*The Deputy Director of the Office of Western European Affairs (Williamson) to the Deputy United States High Commissioner for Germany (Reber), at Frankfurt*

SECRET PERSONAL [WASHINGTON,] October 20, 1951.

DEAR SAM: I have received your letter of October 3 [1] and a subsequent letter from Martin Herz [2] describing the French reaction to our abbreviated treaty. I hope that the outgoing telegrams which have been sent since the receipt of your letter have clarified our position. I refer particularly to the telegram of October 15 which was sent to you by pouch. [3] Since then there have been further reports from Paris and London, and we are now in the process of replying.

I believe that there is a greater area of agreement now than there was two weeks ago. I still do not know what the answer is but I do hope that we can arrive at a tripartite agreement which will serve two ends. First, we should present the Russians with an issue which is difficult to answer, particularly in the light of the speeches which will be made at the World Peace Council in Vienna in early November. In doing so we should present the issue in terms of the best solution for the Austrian question. Secondly, we should try, by all means possible, to get the conclusion of the Austrian Treaty so that the occupation forces can be withdrawn. I recognize as well as you do that these two objectives may be and probably are mutually exclusive. I know that Zeke [4] will scream on any point whether it is remilitarization, denazification, Article 6, Trieste, or the weather in London. Therefore, I believe that we should not single out Article 6 as the key point but should discuss the whole problem of tactics in terms of timing and the relationship of this question to general European problems and general Soviet policy.

There is one thing that we must insist on. There must be firm tripartite agreement on what we do and what we say before the

[1] The letter described Reber's "very serious doubts concerning the wisdom of omitting Article 35 from the new draft" since he felt that such an omission would give rise to a "rain of propaganda against us," a view shared by the French. Reber recommended that Article 35 be reinserted in the draft "before the winds blow." (Austrian Desk files, lot 56D294, Policy on Austrian Treaty—1951)

[2] Document 567.

[3] Presumably a reference to telegram 944 to Vienna, October 13, *supra*.

[4] Presumably a reference to Georgyi N. Zarubin, the Soviet Deputy for Austria at the Council of Foreign Ministers.

four Deputies meet. It is probable that the Deputies will meet sometime in late November or December and I am sure that there is sufficient time to work out a tripartite understanding.

One of the chief difficulties in reaching this agreement is to rid Gruber of this fantastic idea of the abbreviated treaty or something else as "instrument of evacuation". No one but a German could have dreamed this up. We have to have a treaty for domestic reasons as well as for purposes of gaining time to complete the plans for the security forces. In the present state of Congressional opinion I firmly believe that it will be impossible to secure ratification of the old treaty, particularly if it were concluded by concessions to the Russians on the five articles. To come up at this point with some fantastic scheme about an instrument of evacuation would throw us back for years to come in Washington.

The second difficulty as I see it is to convince the French that we should not approach this question with the same enthusiasm and assurance with which they marched forth to the battle of Sedan in 1870. At that time the Chief of Staff said that the French Army was prepared "down to the last gaiter button". While I would hesitate to remind the French Foreign Office of the outcome of the battle of Sedan, I do not share their enthusiasm that we are near agreement with the Russians on the old treaty, and to approach the negotiations with this sense of assurance would, in my estimation, make the outcome all the harder to take.

Hope we pick good weather in London and that the Government Hospitality, Ltd., still runs a good house at 2 Park Street. I have sent a copy of this letter to Martin Herz.

With best regards,

Sincerely yours,

FRANCIS T. WILLIAMSON

## No. 571

663.001/10-2451: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, October 24, 1951—8 p.m.

1476. Legtel 1383 Oct 16, rptd London 75, Paris 124, Moscow 26, Frankfort 145. [2] Present status of plans re Aust treaty tactics was

[1] Repeated to London, Moscow, Paris, and Frankfurt for Reber.

[2] See footnote 7, Document 569.

discussed at meeting of west HICOM's Oct 23. It is our understanding:

(1) That Aust Govt through Aust Leg Washington will transmit note on Oct 27 or 29 [3] to US as chairman requesting that deputies be reconvened at earliest opportunity. Copies of this note will be simultaneously presented to Caccia, Payart, and Koptelov in Vienna for info their govts, and released for publication Oct 30.

(2) On Nov 1, without allowing time for adverse Sov comments on Aust move, US as chairman would invite other powers to new meeting of deps and propose a specific date "if agreeable". This would permit US and shortly thereafter Brit and French to make suitable public comment on desirability of treaty and test of Sov good faith for peaceful settlement of Aust question at time World Peace Council in Vienna putting up smoke screen of Commie peace propaganda.

(3) Re date to be proposed, HICOM's agreed that London and Paris should settle this with Washington. US HICOM indicated that Nov was considered preferable by Dept, Fr HICOM intimated that latter half of Nov appears suitable so far as he was aware, but would desire to consult Paris, Brit HICOM stated he was without instructions from London except general indication that later date, preferably December, has been favored by FonOff owing to election and desirability allowing time for Trieste and Italian treaty revision.

Question of further tactics re abbreviated text, title of abbreviated text, or manner of proceeding with old text, was not discussed, since on these points HICOM's would be guided by instructions of respective fon offices.

DONNELLY

[3] The draft of this proposed note was transmitted to the Department of State in telegram 1489 from Vienna, October 25. (663.001/10-2551)

## No. 572

663.001/10-2451

*The French Ministry of Foreign Affairs to the Embassy in France* [1]

SECRET

PARIS, October 23, 1951.

AIDE-MÉMOIRE

The French Government still considers that, in order to comply with the wish expressed several times by the Ministry of Foreign

[1] Transmitted to the Department in despatch 1130 from Paris, October 24. (663.001/10-2451) The *aide-mémoire*, handed to an Embassy official on October 23, was summarized in telegram 2388 from Paris, October 24. (663.001/10-2451)

Affairs of the Austrian Federal Republic, and with the expectations of Austrian public opinion, it would be advisable to convoke a new meeting of the Deputies, if possible before the end of the current year.

It thinks that at that time the Western Deputies should once again try to break the impasse in the negotiations in which they have found themselves for more than a year due to the bad faith of the Soviets and due to the repeated attempts of the USSR representatives to subordinate the settlement of the Austrian question to that of other problems bearing no relation to it. It is in this spirit that the French Government has examined the draft of an abbreviated treaty which was submitted by the Secretary of State to his French and British colleagues during their recent meeting at Washington.

The French Government thinks that the interest in a new text to be presented to the Soviets lies in whether it affords greater chances of quickly bringing about the signature of the Treaty, or whether it places the Western powers in the best position in the field of propaganda.

An examination of the American draft leads to the finding that it does not meet these two requirements.

Actually, aside from the withdrawal of a certain number of articles already agreed upon in the text presently under discussion, this draft in its Article 6 proposes the complete surrender of German properties to Austria and in this way cancels the essential concessions made to the Soviets by the acceptance of Article 35 of the draft which has been debated for several years. This major modification and, furthermore, omission of all reference to denazification and to the limitation of the armed forces that Austria would be authorized to re-establish, leaves no hope of having the USSR accept a text of this nature.

If this fact is discounted and if the draft in question actually has a solely tactical aim, its effectiveness is just as problematical also from that point of view.

In fact, it is probable that the Soviets will not agree to resuming the discussions on the basis of this document, in spite of the theoretical possibility which is offered them of negotiating for the reintroduction of certain clauses formerly accepted, and notably the provisions relating to German property. Rather they will take advantage of the occasion absolutely to reject this new version of the treaty and to present it as a dishonest maneuver of the Western powers which would allow the latter to regain their freedom of action with the idea of making Western Austria into a military base directed against the USSR.

Thus the responsibility of the Soviets for non-agreement on the Treaty will not be increased in the eyes of public opinion, and the desired effect will no more be realized in the field of propaganda than in the tactical field. The Allies could even seem, in the eyes of a part of public opinion, to have made a gesture of provocation.

Under these conditions, the French Government feels that the tactics which have been followed up to this time should be continued.

As a follow-up to the communiqué published at the end of the Conference of the three Foreign Ministers, the Deputies for Austria could be convoked before the end of the current year.

At the time of this new meeting, the Western representatives should do all in their power to persuade their Soviet colleague to resume the discussion.

If the Soviet Deputy refrained from the various obstructive maneuvers that he has heretofore attempted (Art 48 bis, denazification question, Trieste) and appeared ready to participate in a discussion which might lead to the signature of the Treaty as a whole, the Western Deputies could accept the Soviet version of the disputed articles, on the condition that this acceptance would lead to definitive agreement on the Treaty as a whole. This step would be predicated on the fact that on its part the Austrian Government would previously have undertaken with regard to the three Western powers certain obligations whose content would have been already agreed on by these powers.

On the other hand, renewed refusal or a new diversionary maneuver of the Soviets could give rise to a declaration by the Western Deputies that the continued obstruction by the USSR once again underlines the responsibility of that country for the lack of agreement on the Treaty and might lead the Western powers to revise their position with regard to the numerous concessions made heretofore to the Soviets.

There should then be contacts between the Western powers in order to determine their future attitude with regard to the Austrian problem.

It does not seem that the solution which consists in bringing this problem before the United Nations should be sought, for it could not have practical results insofar as the conclusion of the Treaty and the evacuation of Austria are concerned. The latter in any case depends solely on the willingness of the Soviets. Censure of the USSR by the United Nations would change nothing in this situation and could only bring about a stiffening in the Soviet attitude.

Consequently, the French Government thinks that in the interest of Austria and in order to avoid splitting that country in two, the best attitude to adopt in the event of new Soviet dilatoriness would

be to maintain the *status quo*. The discussion could be resumed, on the basis of the old draft, at the time of future meetings spaced at rather long intervals, while waiting for the development of the general political situation to lead the Soviet Government to modify its attitude in the Austrian affair.

## No. 573

663.001/10–251: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET NIACT WASHINGTON, October 25, 1951—4:56 p.m.

1054. Ref Aust Treaty Dept gratified with extent agreement Brit and Fr to our proposals for positive action in negots and presentation to Sovs of abbreviated treaty. Dept however does not concur with Gruber's version of our Alternative Two. This unduly emphasizes efforts to negot on basis draft treaty which have not proved successful in past and do not offer any hope for success in future. Also we can not under any circumstances accept any settlement known as "evacuation instrument" or any other doc which carries unmistakable impression that further action needed to complete settlement. Such tactics do not correctly reflect the objective of the FonMins at the Wash mtg to make a new and resolute effort to reach an Aust settlement.

After careful consideration Brit and Fr views we still strongly favor presentation of abbreviated treaty in mtg as proposed in Alternative One. (Deptel Oct 2 sent London 1788, Paris 1941, Vienna 837, Frankfort and Moscow by pouch.) [2] By its emphasis of issues essential to settlement this procedure wld furnish West with sound basis for future treaty discussions. Sovs in effect terminated negots in 1949 by refusal to conclude treaty after West agreement on Art 35 and subsequently have only professed willingness to negot without indicating positive basis for doing so. Therefore we believe West can strongly counter Sov charges that West negot in bad faith or seeking to break off negots. Publishing of record of negots in White Paper wld establish indisputably our patience and sincerity in seeking settlement contrasted with deliberate Sov obstructionism. Publicity before mtg will prepare Aust and West opinion for development in tactics.

[1] Drafted by Rutter and Williamson and cleared with Barbour and Perkins. Repeated to London, Paris, Moscow, and Frankfurt for Reber.

[2] Document 563.

Since we do not agree Brit view of Deps mtg without proposing abbreviated treaty or Fr view that agreement on its use need not be reached before mtg we wld recommend postponement of mtg until more promising and positive tripartite position can be determined. Rather than allow this delay we wld reluctantly agree to Dec 1 mtg in which abbreviated treaty wld be broached after fruitless discussion of draft treaty (Alternative Two). Also we wld insist upon prior tripartite agreement that West not concede Sov versions unagreed articles. We doubt mtg will extend to unagreed arts after announcement West not prepared reopen agreed arts or consider extraneous issues. Presumably under Alternative Two publicity wld be released at time abbreviated treaty presented and cld include specific reference to it and our reasons for proposing it.

Gruber's projected note for delivery to the four powers after the Brit election wld in our view embarrass West Powers. While we understand Gruber's desire to demonstrate his energy to Aust public, we dislike implication West needs Aust prodding to push treaty and to summon Deps, particularly in light Sept tripartite agreement. We feel note wld weaken our propaganda effort and hope Vienna will discourage Gruber sending note. [3]

Dept requests London and Paris to discuss above with FonOffs and attempt secure agreement.

WEBB

---

[3] In telegram 1051 to Vienna, October 25, the Department of State instructed the Legation to convince Gruber not to send his proposed note for the reasons repeated in Telegram 1054. (663.001/10-2551) When Donnelly informed the Department the following day that the Austrian Government was distressed by the U.S. desire to limit Austria to a passive role in the treaty negotiations, the Department changed its position and agreed to Gruber's plan of issuing a note although it strongly recommended a reference to the declaration of the Washington Foreign Ministers meeting concerning new efforts to conclude the Austrian Treaty. (Telegram 1512 from Vienna and telegram 1077 to Vienna, October 26, 663.001/10-2651)

## No. 574

663.001/10-2651: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Acting Secretary of State* [1]

SECRET PRIORITY LONDON, October 26, 1951—7 p.m.

2051. We are delaying further approach to Brit re Aust treaty until beginning next week when, with election out of way, FonOff shld be in better position give definitive views on treaty tactics and procedure.

Receipt of Deptel 2187, Oct 25 (sent Vienna 1054, Paris 2431, rptd Moscow 296 [2]) had thrown us considerably off stride, since we assume from it that Dept now wished call halt to progress which has been made in bringing Brit around to acceptance of US views on need for introduction new element in Aust treaty negots.

Dept aware from our tels that Brit and US views have come considerably closer together. Allen yesterday reaffirmed what Hancock had told us Wed (Embtel 2019, Oct 24, Vienna 92, Paris 827 [3]) on this score. Allen also indicated that understanding West HICOMs had reached (reported in Vienna's 1476, Oct 24 to Dept, Paris 136, Moscow 34, Frankfort 157 [4]) was in line with FonOff thinking and he anticipated that it wld be approved at top level. He likewise thought timing of deps mtg wld not present difficult problem and that Brit cld agree to mtg at end of Nov or beginning of Dec.

In accordance with Dept's instrs we had informed FonOff that while strongly preferring alternative one, US was not insisting on its suggestions for procedure and tactics (Deptel 1788, Oct 2, Paris 1941, Vienna 837 [5]). Has subsequently appeared to us that Brit, Aust and probably Fr were prepared agree on modified version of alternative two. Brit are under no illusions about concluding present draft treaty but they feel strongly that best manner of introducing abbreviated treaty is immed after new deps mtg has proved contd Sov intransigeance on old draft.

It seems to us that now we have made some headway on this question with Brit, Aust, and Fr, it wld be inadvisable to shift in mid-stream and suddenly inform them we no longer interested in

[1] Repeated to Moscow, Paris, Vienna, and Frankfurt for Reber.

[2] *Supra.*

[3] Telegram 2019 described Hancock's opinion that the difference between the British and U.S. views on treaty tactics had narrowed considerably although the British still feared that the United States would abandon the present treaty as soon as the abbreviated treaty was introduced. (663.001/10-2451)

[4] Document 571.

[5] Document 563.

deps mtg except on our own terms. To do so wld certainly confuse FonOffs and wld probably leave Aust treaty future completely up in air, thereby resulting impairment initiative vis-à-vis Sov West is gaining in other settlements.

Wld appreciate any further comments Dept may wish to furnish us in matter before we approach FonOff next week. [6]

GIFFORD

[6] In telegram 2282 to London, October 31, the Department of State informed the Embassy that it did not insist that its proposal be accepted in exact terms although it recommended that every effort be made to obtain British acceptance of U.S. tactics prior to the meeting of the Treaty Deputies. (663.001/10–3051)

## No. 575

*Editorial Note*

On October 31, the Austrian Government submitted a note to the Governments of the United States, the United Kingdom, France, and the Soviet Union, in which it requested the reconvening of the Treaty Deputies at the earliest possible opportunity. The text of this note was transmitted to the Department in telegram 1573 from Vienna, October 31. (663.001/10–3151) Following the Austrian Government's release of the note to the press, Donnelly issued a statement in which he stated that the United States would "continue to press for the conclusion of the state treaty" and the withdrawal of troops from Austria. Both Donnelly's statement and the Austrian note are printed in Department of State *Bulletin*, November 12, 1951, pages 768–769.

## No. 576

663.001/11–151: Telegram

*The Ambassador in France (Bruce) to the Acting Secretary of State* [1]

SECRET PARIS, November 1, 1951—2 p.m.

2586. As instructed Deptel 2431, Oct 25 (to London 2181, Vienna 1054, Moscow 296, Frankfurt unn [2]), we have pressed Fr anew re Austrian treaty strategy and have carried matter to higher level. In conversations with De Margerie and at great length with Seydoux, Emb officers again most earnestly put forward Dept's posi-

[1] Repeated to London, Vienna, and Frankfurt for Reber.

[2] Document 573.

tion re abbreviated treaty. While these sessions were valuable in yielding further clarification of positions and indication of extent Fr willingness to come along with us at some later time, they brought out again very clearly that Fr are opposed to introduction of abbreviated treaty either at or immed fol forthcoming mtg of deputies.

In third para of reftel, Dept described Fr position as consenting in principle to introduction of abbreviated draft, but without agreement on use to which it shld be put. As Dept will have observed, this is not in conformity with Fr *aide-mémoire* (Embtel 2388, Oct 24, rptd Vienna 68, London and Frankfurt unn, with which ref Deptel apparently crossed [3]); nor was there any indication in our most recent conversations that Fr mean introduction of new draft when they speak of possibility of threatening Soviets with withdrawal of earlier concessions.

Extent to which Fr are willing to go is to have diplomatic *démarche* to Soviets immed fol expected failure of forthcoming mtg, in which approach it wld be strongly implied, or perhaps even flatly stated, that we may withdraw our agreement on articles already settled if there is not in near future agreement on treaty as a whole. Fr wld probably perceive no objection to stating on such occasion that treaty as now drafted is no longer in keeping with Austria's requirements, that in view of continued Soviet takings from Austria since 1949 it has become still less equitable and that primary purpose of settlement must be evacuation and fulfillment of Moscow declaration. But FonOff maintains that door must not be closed in the old treaty. It is convinced this wld be the case if abbreviated treaty were formally put forward.

Fr still hold, contrary to view advanced by us in accordance with instrs, that once abbreviated treaty is put forward Soviets will cease all negots either on old treaty or new one and that they will claim, with some plausibility, that by proposing patently unacceptable treaty document west had demonstrated it is no longer interested in quadripartite settlement of Austrian question. We wld thus be not only losing good deal of public opinion support for our position but also intangible but nevertheless important political benefits that reside in fact that negots are continuing and that, as at present, not much ground remains to be covered for final agreement to be achieved.

Shld be emphasized that in arguing as above, Fr are not motivated by belief that agreement on present treaty draft is likely in near future. Their appreciation of Soviet intentions re Austria appears

[3] Telegram 2388 summarized the principal points of the French *aide memoire* which was delivered to the Embassy in Paris on October 24. (663.001/10–2451)

to accord entirely with that of Dept. They consider, however, that continued ritual of fruitless negots on the nearly agreed old treaty is factor of stability in Austria, and are basically in favor of continuing on present basis for fear of upsetting applecart. Despite Fr willingness to re-examine treaty strategy after next deputies' mtg, and despite their willingness to "threaten" withdrawal of previous agreement as tactical measure, disagreement thus still appears to be basic.

As Seydoux put it, Fr consider that we wish to turn over new page with respect to Austria and they believe turning back to previous page will be impossible once this is done. He inquired politely whether we consider that world balance of power has sufficiently shifted in our favor for us to offer Soviets smaller inducement—in fact, no inducement at all—to get out of Austria. (There was no evidence Fr FonOff expects to have trouble obtaining ratification of present treaty if and when Soviets finally accept it.) Fr position thus appears to have evolved hardly at all and it seems to us most unlikely that it can be modified by further conversations with them until after deputies have met again.

BRUCE

## No. 577

663.001/11-151: Telegram

*The Acting Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, November 3, 1951—3:30 p.m.

1144. Until tripartite agreement reached on tactics and use of abbreviated treaty Dept considers no formal reply for public consumption to Oct 31 Aust treaty note feasible (Legtel 1573 Oct 31 rptd London 94 Paris 149 Moscow 46 Frankfort 166 [2]). You may tell this to Gruber orally and state Dept concurs with your excellent statement (Legtel 1588 [3]) which may be used in connection with WPC as expressing official US view.

Dept thinks it desirable you emphasize to Gruber importance we attach to positive approach implicit in our proposal citing argu-

[1] Drafted by Rutter and cleared with Williamson and Bonbright. Repeated to Paris, London, Moscow, and Frankfurt for Reber.

[2] Telegram 1573 contained the text of the Austrian note. (663.001/10-3151)

[3] Telegram 1588 transmitted the text of Donnelly's press statement concerning the Austrian note. (663.001/10-3151)

ments in Deptels 837, [4] 944, [5] 1054, [6] 1114 [7] and our refusal to associate ourselves with Deps mtg entirely devoted to futile effort to negot on basis draft treaty. Dept feels Gruber's insistence on this negative approach has served to delay tripartite agreement by allowing Brit and Fr to base their objections to our proposals on Aust views. Are Figl and Schaerf fully aware of our proposals and reasons for them?

For Amer Emb Paris urtel 2586 Nov 1 rptd info London 651 Vienna 76 Frankfort 324 [8] in view refusal of Fr FonOff to budge from position we cannot accept we suggest no further initiative to press our position until it is known if Secy can raise matter with Schuman. In Dept view Sovs have suffered diplomatic defeats of sufficient magnitude to warrant fresh vigorous approach we propose.

WEBB

[4] Document 563.
[5] Document 569.
[6] Document 573.
[7] Not printed.
[8] *Supra.*

## No. 578

663.001/11-651: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Acting Secretary of State* [1]

SECRET VIENNA, November 6, 1951—9 p.m.

1640. Info transmitted in Deptel 1144, Nov 3 (Paris 2661, rptd London, Moscow, and Frankfort [2]) that Dept wld not make formal reply to Aust note of Oct 31 until tripartite agreement reached on tactics, was communicated to Gruber, who expressed satisfaction at course proposed and agree with desirability of firming up Brit and French views before taking further public action.

It is Leg's impression that Gruber has not intended to be obstacle in obtaining agreement on treaty tactics, but has, if anything, tried to facilitate acceptability of abbreviated text by Brit and French. Gruber strongly supports idea of positive approach and wasting no further time going through motions of session limited to consideration of articles of old draft so often discussed in past. He does not, however, believe that we can convincingly present abbreviated text

[1] Repeated to London, Paris, Moscow, and Frankfurt for Reber.
[2] *Supra.*

as alternative to Sov intransigency unless we go through formality of inviting Sov consideration of text which has been subject of discussion. It is our understanding that as soon as it appears that Sovs once again refuse to conclude treaty or wld do so only on our terms, Gruber wld welcome vigorous move on our part, either presentation of abbreviated text then and there or recess of session to enable West Govts to present abbreviated text through diplomatic channels Moscow. Gruber's main preoccupation remains that of securing removal of Sov troops, and occasionally his ideas are unrealistic on this score, but he has appeared to welcome draft of abbreviated text itself with much interest.

Subject discussed again on Nov 5, when Gruber rptd his agreement foregoing line. He states that he wld wish to revert to matter later in week after opportunity to confer again with Figl and Schaerf. In view London's 2081 to Dept Oct 30 (rptd Vienna 98, Paris 875, Moscow 38, Frankfort 280 [3]), we consider that very little difference of opinion exists with Brit, but told Gruber we wld welcome any assistance he might be able to give in obtaining French concurrence.

DONNELLY

[3] Telegram 2081 informed the Department of State that the British Foreign Office, in a briefing paper presented to Eden, recommended that if agreement on the old draft of the Austrian Treaty could not be reached, then the British should associate themselves with the United States in submitting the short treaty along the lines prepared by the Department of State. (663.001/10-3051)

## No. 579

740.5/11-851: Telegram

*The Acting Secretary of State to the United States Delegation at the Tripartite Foreign Ministers Meeting, at Paris* [1]

SECRET WASHINGTON, November 8, 1951—2:47 p.m.

Tosec 19. Dept has tried unsuccessfully since Wash talks at which you made initial recommendation to obtain agreement US proposal abbreviated text in effort break stalemate Aust Treaty (Deptel 2576, Oct 31 to Paris and previous [2]). Failure reach agreement due primarily Fr reluctance take any step to alter *status quo*

[1] Drafted by Allen and cleared with Williamson and Bonbright; repeated to London, Moscow, Vienna, and Frankfurt for Reber.

Secretary Acheson arrived in Paris on November 2 to participate in discussions with the Foreign Ministers of France and the United Kingdom as well as to attend the Sixth Session of the U.N. General Assembly.

[2] Not printed.

which they prefer and secondarily because of Br position which differs from ours in tactical approach although agreeing in principle that an abbreviated treaty text shld be proposed to Sovs (London's 2202, Nov 6 [3]). Details contained in NOV D-11a, Nov 1, [4] copies which now in Paris.

Failure West take some positive step is becoming increasingly embarrassing in light FonMin announcement over two months ago their intention make "new and resolute effort" conclude Treaty. Moreover, in absence agreement on program we are unable reply recent Aust note requesting US to call a mtg of Treaty Deps. Aust note has been fully publicized and copy sent to Sovs. Considered essential that tripartite agreement tactics be reached prior Dep mtg in order avoid unfortunate propaganda effect of another fruitless mtg, particularly after FonMin announcement referred to.

If you have opportunity it is recommended you raise issue during separate or joint talks with Eden and Schuman in an effort obtain their agreement US proposal.

WEBB

[3] Telegram 2022 informed the Department of State that Eden approved the British Foreign Office position paper which supported in principle the introduction of the abbreviated treaty provided the Western Powers did not abandon the present draft treaty. (663.001/11-651)

[4] NOV D-11a, "Austrian Treaty," was prepared by a Steering Group in the Department of State as a briefing paper for the Tripartite Foreign Ministers meetings in November. It is essentially a revision of WFM T-7b, Document 549. (CFM files, lot M-88, box 159).

## No. 580

663.001/11-1751: Telegram

*The Ambassador in France (Bruce) to the Acting Secretary of State* [1]

SECRET PARIS, November 17, 1951—5 p.m.

2963. Embtel 2895, Nov 15 rptd London 771, Vienna 88, Frankfort, Moscow unnumbered. [2] FonOff has given us *aide-mémoire* re Aust treaty strategy, [3] which represents definitive Fr position arrived at after renewed discussion with Schuman. As Dept will note, this position involves considerable backtracking from that which was communicated to us orally per Embtel 2882, Nov 14 rptd

[1] Repeated to London, Vienna, Bonn, Moscow, and Frankfurt.

[2] Telegram 2895 warned the Department of State that the French position on the abbreviated treaty was being reconsidered and might be modified. (663.001/11-1451)

[3] The original text of the French *aide-memoire* was transmitted to the Department of State in despatch 1353 from Paris, November 20. (663.001/11-2051)

London 766, Vienna 86, Moscow Frankfort unnumbered [4] and understood by Brit FonOff (London 2365 to Dept Nov 15, rptd Vienna 107, Bonn 57, Moscow unnumbered [5]). This backtracking is admitted by FonOff, not without embarrassment. *Aide-mémoire* definitely supersedes earlier indications of Fr position and has Schuman's personal approval. Free translation follows:

*Begin translation.* Fr Govt, having again considered US suggestions re draft abbreviated Aust treaty, continues to believe that its submission at next deputies mtg wld not only yield no tactical advantages, but might on contrary prove advantageous to Sov propaganda.

Transmission of abbreviated draft to Moscow on occasion of approach after failure of deps wld have same disadvantages and wld in effect lead to breakdown of negots.

In these conditions, Fr Govt, which remains anxious to avoid any move which might provoke, sooner or later, the break-up of quadripartite arrangements and the division of Aust, wld agree if necessary, that Kremlin be informed that in view systematic Sov obstruction, west powers wld be led to reconsider concessions previously made to Sovs in hope of, through those concessions, bring about conclusion of treaty.

Such a statement wld be sufficient to restore freedom of action to west powers without at same time sweeping away all previous negots in manner which wld run risk of being misunderstood by Aust public opinion.

Fr Govt also believes that exact terms and phraseology of this communication shld at appropriate time be subject of further conference of west allies, on highest level, in order determine particular concessions which it wld be advisable to withdraw.

Furthermore, Fr govt believes approach to Moscow along above lines wld be better understood by public opinion if preceded by deps mtg at which, in accordance with Wash FonMins communiqué, west reps had made resolute effort to reach agreement on present draft in which, as was recalled in State Dept's communiqué of Nov 12, there remain (*sic*) only few points essential for a settlement. *End translation.*

In handing us this *aide-mémoire*, Latournelle acknowledged that it represented considerable retreat from position earlier orally communicated to us. He expressed view that deps mtg shld be held by end of Nov and did not feel it essential to have prior agreement now on tactics to be followed after anticipated unsuccessful deps mtg. He suggested possibility of establishing tripartite negotiating group at expert level to work out position. In reply to question, he expressed view that our abbreviated treaty draft was in fact reflec-

[4] Telegram 2882 first noted French acceptance of the abbreviated treaty as a tactic to be used following the expected failure of the next meeting of the Treaty Deputies. (663.001/11-1451)

[5] Not printed.

tion of concessions which Sovs might be informed wld be subject to withdrawal. He added that he personally thought consideration might be given to presentation of abbreviated treaty draft in course of second Moscow *démarche* to follow *démarche* in course of which withdrawal of concessions was foreshadowed.

We expect that Secy will have occasion discuss Aust treaty with Schuman Nov 21. Gruber is arriving Paris Nov 19 for OEEC mtg and has through Aust Leg here made urgent request for interview with Secy.

BRUCE

---

## No. 581

663.001/11-1951: Telegram

*The Ambassador in France (Bruce) to the Acting Secretary of State* [1]

SECRET NIACT PARIS, November 19, 1951—2 p.m.

2974. For Williamson from Perkins. [2] We are considering suggesting to Secretary, as basis for possible compromise with Fr on Aust treaty tactics, that he propose following variant of Alternative 2:

Deputies wld meet at early date (tactics to be ironed out between Secretary, Schuman and Eden on Wednesday), with no substantial change in position and with expected renewed failure to come to agreement. At end of session, we wld state that we expected Deputies to be convoked again in near future.

After adjournment, the three Western Deputies wld then remain in session, with public announcement to the effect that they were exploring together basis for new simplified approach to Austrian treaty problem. (That meeting of Deputies wld perhaps meet Fr proposal in fifth para their *aide-mémoire* as per Embtel 2963 Nov 17. [3] Announcement of its purpose wld get principle of new approach on record.) Western Deputies wld then proceed to draft abbreviated treaty or its equivalent.

We feel that some compromise will have to be reached with Fr position on Aust treaty tactics, and above may offer them satisfaction while preserving principles of abbreviated treaty that we have been advancing to them.

---

[1] Repeated to London, Vienna, and Bonn for Reber.

[2] Assistant Secretary of State Perkins accompanied Acheson on his trip to Paris and Rome.

[3] *Supra.*

Gruber is seeing Secretary at 5 p.m. today. [4] Would appreciate your comments on above by telephone before that time if possible. [Perkins.]

BRUCE

[4] For a summary of the Acheson-Gruber conversation, see telegram 3001 from Paris, Document 583.

## No. 582

663.001/11-1951: Telegram

*The Acting Secretary of State to the Embassy in France* [1]

SECRET PRIORITY WASHINGTON, November 19, 1951—7:58 p.m.

3040. Paris for Perkins, Bonn for Reber. In view Fr position on Aust treaty after flirting with Brit position (Embtel 2963, Nov 17 rptd London 783, Vienna 91, Moscow and Frankfort unn [2]) we consider that it may be necessary to modify Alternative Two as originally proposed to gain Fr support by planning gradual transition from present draft treaty to abbreviated treaty (Embtel 2974, Nov 19 rptd London 790, Vienna 92, Bonn 72 [3]). We feel that agreement shld be contingent upon achievement of general understanding by FonMins before Deputies mtg of tactics both for mtg and for future program to present abbreviated treaty to Sovs within definite period. Tripartite working group cld work out details of program.

Our thinking on new version Alternative Two (Embtel 2974) as follows: (1) Reach tripartite agreement soonest to call Deputies mtg for Dec 3 or Dec 10 at latest. (2) In mtg ask Sovs to negotiate on basis draft treaty but without further West concessions. If no result inform Sovs (a) despite concessions made in expectation of concluding treaty, no progress achieved since 1949; (b) accordingly West powers must reconsider position and will formulate alternative approach on treaty and (c) will convoke another Deputies mtg at early date to propose this approach. (3) Announce this action publicly at time of breakdown of negots and release White Paper giving basis for action. (4) Put forward abbreviated treaty in subsequent Deputies mtg.

We believe above program wld be supported by Brit and Austs. White Paper spelling out Sov obstructionism in detail wld answer Fr doubts about preparing public opinion. We do not understand Fr

[1] Drafted by Rutter and cleared in draft by Williamson and Bonbright; repeated to Bonn, London, Vienna, and Moscow.

[2] Document 580.

[3] *Supra.*

argument that continuation of negots on old draft treaty act as bar to partition and believe that Fr proposals for vague *démarches* to Moscow may delay formulation of specific program for positive action unless we insist on prior agreement.

WEBB

---

## No. 583

663.001/11-2051: Telegram

*The Ambassador in France (Bruce) to the Acting Secretary of State* [1]

SECRET PRIORITY PARIS, November 20, 1951—11 a.m.

3001. Secy received Gruber [2] yesterday and discussed Aust treaty strategy at some length. In answer to questions, Gruber indicated he definitely favors new approach along lines of abbreviated treaty, but feels first, that this shld be preceded by new concerted effort to obtain agrmt on old treaty and second, that there shld be lapse of time (he said few days wld be sufficient) to prepare Aust Parliament and press for the new line.

Gruber was asked what in his view wld be Aust public opinion re action if Western Powers offered to make certain concessions to Sovs at deps mtg and only shortly afterwards, after mtg broke down, were to come forward with new proposals nullifying these and other concessions. His reply was that if matter is properly presented to Austs, Sov claims that we must have been insincere at the deps mtg wld fall flat. Austs wld understand, he said, if they were told that Western Powers had been prepared to sign bad treaty just to get Sovs to withdraw from Aust, but that since Sovs were patently unwilling to sign any treaty whatever at this time, it was better to wait a while and get a good treaty whenever Sovs are ready to sign.

Secy remarked that such line wld have additional advantage of being the truth.

Gruber added that in his view, propaganda position of Western Powers wld in fact be the more benefited, the further they had showed themselves willing to go in offering to conclude treaty on basis of old draft, immediately prior to presentation of new one.

Gruber was also asked whether Aust opinion might conclude from introduction of abbreviated treaty that chances of treaty settlement had become smaller. His reply was that Aust Govt has prepared public opinion quite well in this respect and that hopes for

---

[1] Repeated to Vienna, London, Moscow, and Bonn for Reber.

[2] Gruber was in Paris for a meeting of the OEEC.

treaty are not high at present. Austs wld understand that they wld have to wait in any event since Sov unwillingness to conclude treaty wld have been again demonstrated. If contemplated strategy is followed, Gruber added, Aust issue might also be carried to UN at next session.

Secy remarked that he perceived no advantage in letting old treaty remain as alternative once abbreviated one is tabled. Gruber agreed and said it is obvious that when Sovs are prepared to conclude Aust treaty they will do so on any basis, and when they are not they cannot be maneuvered into signing one.

Gruber is seeing Schuman today and will, we expect, mellow French position with respect to abbreviated treaty. We have not discussed with Gruber our tentative compromise proposal with respect to procedure (Embtel 2974, Nov 19 [3]), which may be brought up in tripartite mtg on Wednesday if necessary. [4]

BRUCE

[3] Document 581.

[4] For a summary of the tripartite Foreign Ministers meeting of November 22 at which the Austrian Treaty was discussed, see telegram Secto 68 from Paris, Document 585.

## No. 584

663.001/11-2051: Telegram

*The Ambassador in France (Bruce) to the Acting Secretary of State* [1]

SECRET PRIORITY PARIS, November 20, 1951—10 p.m.

3030. Austrian treaty strategy was also discussed during lunch of Secretary and Schuman today, and we advanced suggestion that when deputies meet the question might simply be put to Soviets whether they wld or wld not be prepared to sign treaty on their own terms.

First step at deputies' meeting under this procedure wld be simple question to Soviets whether there are any new developments in their position. Second wld be question to them as above, and if their reply as expected turns out to be ambiguous or negative because of extraneous matters, we wld proceed to adjourn the meeting and then eventually to submit abbreviated treaty.

French showed themselves interested in the idea. We realize of course that Soviet wld in all likelihood counter with question whether we on our part wld be prepared to sign treaty on their

[1] Repeated to London, Vienna, and Bonn for Reber.

terms, but this question shld be met with insistence on our part that they themselves give unequivocal reply to question put to them.

Dept's comments on above requested.

BRUCE

---

## No. 585

CFM files, lot M-88, box 73, Treaty negotiations—Austria, Telegram

*The United States Delegation at the Tripartite Foreign Ministers Meeting to the Acting Secretary of State*

TOP SECRET PARIS, November 22, 1951—7 p.m.

Secto 68. Subject: Tripartite discussion Austrian peace treaty Nov 22. [1] Secretary outlined anew US position which had been presented in Wash to Schuman and Morrison. Also reported indications received from Gruber and Donnelly that Austrians did not fear short treaty wld delay peace settlement as they have come conclusion no Austrian settlement possible except in context general peace settlement with USSR.

Eden agreed to mtg of Deps in near future for one more attempt to obtain agreement on existing draft. Suggested that we shld first tell USSR we are ready sign old draft with Russian version of unagreed items as this wld put West in strong moral position. Shld this fail Eden expressed agreement to introduce "short treaty" and, as between diplomatic or Deps channel, expressed "slight preference" for Deps, but felt we should also keep old draft open.

Maurice Schumann, who sat for Fr today, also approved early mtg Deps and initial attempt to obtain Russian agreement to old draft treaty with Russian version unagreed clauses. He made it clear, however, that we shld not commit ourselves *ab initio* and first ask Soviets whether they wld sign if West agreed to their four clauses. Re "short treaty" Maurice Schumann expressed good deal of concern. He fears proposal new draft less favorable to Soviets might cause Soviets to modify *status quo* in manner unfavorable to West. He pointed to advantages Austria and harmful results of termination of quadripartite control. He stressed advantages of having Soviet zone subject to democratic process, to having Vienna as "citadel of freedom" in midst Sov zone and to complications which wld be caused to West if Soviets instituted blockade of Vienna requiring airlift for support.

---

[1] The U.S. Delegation minutes of this meeting, designated PAR M-2, are in Conference files, lot 59D95, CF 97.

Secretary said he had asked Wash re US willingness to accept Russian version of unagreed items and mentioned defense interest. He expressed, however, aversion to giving choice to USSR between two different drafts, one harsh and one liberal, pointing out such course action wld be difficult explain to public opinion both in Austria and in US, UK and Fr. Such course, he added, cld result in granting USSR opportunity to choose one or other draft for indefinite period as Soviets wld be sure not to answer immediately. If we decide on this course action, we must be careful after giving Soviets opportunity settle on their version treaty to withdraw it prior to introduction "short treaty". US has open mind as to timetable between offer to conclude on Soviet draft and introduction short treaty, but indicated he personally was thinking in terms of "two weeks to one month" during which time we shld publish White Paper setting forth West's patient and numerous efforts arrive solution. Secretary expressed belief that short treaty wld not cause USSR change *status quo*.

Maurice Schumann proposal to agree at this time only on offer in Deps to agree to Soviet draft treaty and determine subsequently our course of action was luke-warmly supported by Eden (who seemed somewhat fearful that introduction of short treaty will heighten tension), but discouraged by Secretary.

Finally, it was decided that we wld hold matter in abeyance for time being and seek reach decision while Ministers together in Rome for NAC. Please advise soonest.

ACHESON

---

## No. 586

663.001/11-2251: Telegram

*The Acting Secretary of State to the United States Delegation at the Tripartite Foreign Ministers Meeting, at Rome* [1]

TOP SECRET
PRIORITY

WASHINGTON, November 23, 1951—7:46 p.m.

Tosec 60. As we see situation, fol questions raised by Secto 68 [2] on Aust Treaty:

---

[1] Drafted by Williamson and cleared with EUR, EE, and Matthews. Repeated to London, Paris, Moscow, and Vienna.

Following their meeting on November 22, the three Foreign Ministers and their delegations left for Rome for further discussions before and during the Eighth Session of the North Atlantic Council.

[2] *Supra.*

1. Shld mtg be held without tripartite agreement on whole program designed to present abbreviated treaty? In our view such agreement is highly desirable but in the final analysis we believe mtg shld be held if agreement not obtainable. Abbreviated treaty is a forward step in Aust policy. If old treaty concluded on basis Brit and Fr plans we wld have to move immediately after conclusion for revision similar to action on Italian treaty. If Brit and Fr are fundamentally opposed to principle of abbreviated text and its presentation to Sovs either now or in near future, they shld so state. Alternative appears to be continued and fruitless negot on old text with its consequent effect both on Aust morale and on our position of supporting a punitive settlement unless abbreviated treaty becomes basis of future negots.

2. Shld West accept Sov version unagreed articles and so inform Sov deputy at outset of negots? We do not believe that US can adopt this course without raising adverse domestic criticism and endangering ratification if treaty concluded by such tactics. Although NSC policy decision in 1949 agreed such action might be taken to obtain conclusion of treaty, [3] we wld not recommend these tactics at this time without consultation with Joint Chiefs and new NSC decision. We realize that unagreed articles are relatively unimportant and have no major bearing on basic issue Aust future status, but mere statement that we are accepting Sov terms after five years of negots cld not be publicly explained in this country at this time. Furthermore, if Sovs continue to stall in face of such an offer these tactics wld make it impossible to introduce abbreviated text in near future as it provides settlement more favorable to Aust than draft which Sovs refuse to conclude.

3. Wld abbreviated draft upset *status quo?* We do not agree with Fr view that new text wld lead to Sov retaliation and blockade of Vienna. No connection ever drawn in past between Sov action as occupying power under Control Agreement and course of treaty negots. Sovs might retaliate if we called off all negotiations on treaty or attempted to modify Control Agreement. Existence of Vienna in present status is exploited by Sovs as well as by West as shown in World Peace Council mtg and location of WFTU headquarters. Sovs, therefore, not likely to upset *status quo* in Aust unless it is part of a change in their gen policy toward West. Our policy is not to maintain *status quo* in Aust but to obtain settlement requiring withdrawal Sov troops. We agree with Gruber that no Aust settlement will be possible except in context gen peace settlement and for that reason prefer abbreviated text as a more reasonable settlement if such develop ever takes place. [4]

4. Wld abbreviated draft scrap old treaty? In our view it wld and shld scrap old draft, but Brit and Fr apparently overemphasize this point since new draft with one exception contains articles already agreed with Sovs. It is not a new text in that respect, but one

---

[3] This is presumably a reference to NSC 38/4, November 17, 1949, *Foreign Relations*, 1949, vol. III, p. 1190.

[4] Telegram 3076 from Paris, November 22, reported to the Department of State that Gruber had a discussion with Vishinsky in Paris on November 19 during which Vishinsky was "unusually friendly" but indicated that an Austrian settlement was likely only as a part of a larger settlement of East-West issues. (663.001/11-2251)

which contains essential elements for Aust settlement which reflect Moscow Declaration but does not contain type of restrictions found in Italian treaty. We believe that abbreviated draft can be justified politically and diplomatically.

5. Does possibility conclusion of treaty raise security interests? Tripartite plans exist for initial Aust army and real progress has been made in this field. This force can prevent internal subversion and ordinary infiltration but cld not protect Aust from external attack by Sovs or satellites. If Treaty signed and West troops withdrawn, prior West commitment will be required to include Aust in West defensive plans in similar way that occupied Aust now covered by Art 6 of NAT. If such arrangements are made, we do not believe that Aust will be any more susceptible to external aggression than at present.

In view foregoing comments and necessity of tripartite agreement, suggest fol.

1. That a mtg of the four deps be called after tripartite agreement has been reached. As suggested Paris 3030 Nov 20 [5] Sov deputy be asked if new developments have occurred in their position which might make possible conclusion of Treaty. In all probability Sov deputy will read latest Note on Trieste [6] and report Sviridov's accusations about remilitarization of Western Zones. If this occurs there wld be no point of offering to conclude Treaty on Sov terms since these terms cld not be accepted by West. In this event, Western deps should refer question to govts for further consideration at the same time arranging for future mtg.

2. That no offer be made at this mtg to accept Sov versions unagreed arts. If Brit or Fr make such offer we could not associate US with it. We cannot recommend this without new NSC and JCS approval and discussions with Senatorial leaders.

3. If complete tripartite agreement not obtainable prior to quadripartite mtg West deps should meet thereafter to draw up program in light of outcome of quadripartite mtg. We shld continue to press for abbreviated text and wld welcome any suggestions from Brit and Fr for a constructive program designed to break stalemate in negots and provide reasonable settlement for Aust.

Recognize that this program provides only for interim procedure, but we cannot accept basic point in Brit and Fr position on public announcement of concessions to Sovs.

We will raise this problem with Def.

WEBB

---

[5] Document 584.

[6] See Document 123.

## No. 587

663.001/11-2651: Telegram

*The Acting Secretary of State to the Embassy in Italy* [1]

SECRET PRIORITY WASHINGTON, November 27, 1951—7:48 p.m.

2460. Rome for Perkins. Re Paris 3152 Nov 26 rptd Rome 247 [2] and Vienna's 1840 Nov 26 rptd Rome 85, [3] Dept considers statement may be required to avoid situation whereby US position is explained solely by Fr press and news agencies and confirmed by Fr FonOff. Dept concurs in Gruber's estimate that leak probably occurred in Paris despite London and Washington datelines. We do not know source of stories and replied no comment Nov 24 to Fr correspondent who had gist of story.

Accordingly, if questioned, Dept press officer will reply fol lines:

Means to break deadlock on Aust Treaty were discussed by West FonMins in Washington in Sept and recently in Eur. Numerous aspects of the problem have been explored and the matter is still under consideration. The US will continue to strive, as it has in the past, for a four-power agreement to reestablish Aust's independence and provide for the withdrawal of all occupation forces as promised eight years ago in Moscow. *End statement.*

It is suggested that three FonMins may wish to consider issuing a joint statement in Rome on their recent discussions concerning Aust Treaty.

WEBB

---

[1] Drafted by Walter R. Roberts of the Office of Western European Affairs and cleared with Williamson and Bonbright. Repeated to London, Paris, Moscow, and Vienna.

[2] Telegram 3152 informed the Department of State that an article appearing in *Figaro* on November 24 outlined the essential features of the abbreviated treaty proposed by the United States and cited arguments in its favor. (663.001/11-2651)

[3] Telegram 1840 reported that a Communist newspaper, *Tagblatt am Montag*, quoted the French Information Service that there would be a "western initiative" for the resumption of discussions concerning the Austrian State Treaty "within a few weeks". (663.001/11-2651)

## No. 588

CFM files, lot M-88, box 73, Treaty negotiations—Austria

*The United States Delegation at the Tripartite Foreign Ministers Meeting to the Acting Secretary of State* [1]

SECRET PRIORITY ROME, November 28, 1951—11 p.m.

Secto 101. Subject: Tripartite Discussion Austrian Peace Treaty November 27. [2] Secretary stated position Tosec 60. [3] Recommended early meeting Deputies and that Soviet be asked whether any change in Soviet position. If Soviet reply in affirmative, negotiations should continue on basis established positions. Recognized that Soviet deputy would probably refer to latest note on Trieste and Spiradoff's [*Sviridov's*] accusations concerning remilitarization of Western Zones. Negotiations would then be blocked and Western deputies should indicate they must refer question to governments for further consideration at same time arranging for future meeting.

We again urged a short treaty and said we do not agree it would lead to Soviet retaliation. He pointed out no connection had ever been drawn in past between Soviet action as occupying power under control agreement and course of treaty negotiations. Emphasized that if short treaty proposed, old draft should not be kept open. Also said we could not agree to propose or accept Soviet version unagreed articles and mentioned effect on US and Austrian public opinion should we now agree to Soviet version after five years negotiation. Austrian Government has accepted idea of short treaty and it was better for us to go ahead with it.

Eden, while again expressing his opinion there would be propaganda advantage in proposing acceptance Soviet version unagreed articles as demonstrating extent West willing to be conciliatory said he agreed to accept Secretary's proposal re holding meeting and limiting action merely to inquiring of Soviet representative re Soviet position. He had reservations, however, re abbreviated text and was not convinced our making this step would not terminate Four Power Control Agreement to resulting disadvantage of West. Said he would want to have new look at abbreviated text following Deputies meeting.

Schuman agreed with Eden that he would have liked for propaganda purposes to propose acceptance Soviet version unagreed arti-

---

[1] Repeated to London, Paris, Vienna, and Frankfurt for Reber.

[2] The U.S. Delegation minutes of this meeting, designated PAR M-3, are in Conference files, lot 59D95, CF 97.

[3] Document 586.

cles, but if other two were in agreement he would not insist. Was not convinced of advantages of abbreviated text and pointed out difficult situation of Austrian Government in Vienna if quadripartite control agreement should be put in anger. Believed serious incidents would be likely to result from our proposing abbreviated text to Soviet Union and urged we review abbreviated text proposal after deputies meeting.

Secretary concluded saying that it was agreed deputies would meet and western representatives if meeting unproductive would refer to their governments.

ACHESON

---

## No. 589

663.001/11-3051: Telegram

*The Acting Secretary of State to the Embassy in Austria* [1]

SECRET WASHINGTON, November 30, 1951—4:40 p.m.

1373. For Donnelly. In light tripartite discussion Aust treaty Secto 101 Nov 28, rptd London 246, Paris 336, Vienna 60, Frankfort 99, [2] consideration shld be given to program for forthcoming Deputies' mtg. In our view fol program wld fulfill current tripartite agreement.

1. US Deputy shld call mtg, either by utilizing existing procedure through CFM Secretariat in London or by US dipl notes to other three powers since chairmanship in our hands. Dept is inclined to prefer latter method. We believe mtg shld be timed for shortly after beginning of year. Intervening time might be utilized to seek further clarification of tripartite position on text of abbreviated treaty as well as to allow decent interval between press leaks on this subj and any future action we may take. If no further leaks occur we believe postponing mtg until new year wld permit speculation on this subj to die down.

2. If Sov Deputy in mtg reacts as expected, either by referring to previous Sov position or by introduction of Trieste or other irrelevant issues, to suspend mtg with announcement that matter has been referred to respective govts for consideration. West Deputies cld continue to meet to work out exact position on abbreviated Treaty and possible White Paper or any other alternative proposed by Brit and Fr as well as to plan future action.

Dept assumes that no further discussion of tactics for next mtg is required other than agreement reached in Rome Ministerial mtg.

---

[1] Drafted by Williamson and cleared with EE and Bonbright. Repeated for action to Bonn for Reber, London, Paris, and Moscow.

[2] *Supra.*

We assume that Brit and Fr wld not proceed on basis of proposing acceptance of Sov terms unagreed arts in light Secy's position on this question.

We wld appreciate your comments on timing and method of notifying Sovs of proposed mtg and staff required for mtg. [3]

WEBB

[3] In telegram 585 from Bonn, December 2, Reber stated that the next meeting of the Austrian Deputies should be governed by the requirements of Austrian opinion. He informed the Department of his decision to use the existing procedure through the CFM Secretariat in London because this was more in keeping with the idea of the continuity of the meetings. (663.001/12-251)

## No. 590

663.001/12-251: Telegram

*The Acting Secretary of State to the Embassy in Austria* [1]

SECRET WASHINGTON, December 5, 1951—7:14 p.m.

1417. For Donnelly. Bonn's 585 Dec 2 rptd Vienna 22. [2] Concur Reber's recommendations that existing procedure through CFM Secretariat be utilized for notifying Sovs date Treaty mtg and that timing shld take into consideration views Aust Govt. Dept still prefers Deputies' mtg in Jan for reasons set forth Deptel 1373. [3] We consider it advisable that officer from Vienna also attend Deputies' mtg and wld appreciate knowing whom you designate.

Dept leaves to your judgment whether tripartite appraisal of abbreviated treaty by High Commissioners wld be desirable pending wider tripartite agreement. [4] As we see it, its chief purpose wld be to urge Brit and Fr High Commissioners to support our position in recommendations to their govts. For time being we wld prefer your estimate of situation and report of views of Aust Govt to joint action.

[1] Drafted by Williamson, Allen, and Rutter and cleared with Bonbright. Repeated to London, Paris, Moscow, and Bonn for Reber.

[2] Not printed, but see footnote 3, *supra*.

[3] *Supra*.

[4] Donnelly left Vienna for Rome on November 30 where he had a meeting with Acheson on December 2. They agreed to recommend to the Department of State that the three Western High Commissioners in Austria jointly appraise the abbreviated treaty as a first step in obtaining wider tripartite agreement. This recommendation and a brief statement about their meeting is in telegram 2453 from Rome, December 2. (663.001/12-251)

Material requested in Secto 112 Nov 29 rpt Vienna 61 [5] is now being prepared. We will forward it soon for use by you in possible discussions with other High Commissioners and for discussions with Brit and Fr FonOff.

Wld appreciate hearing soonest your recommendations for timing. [6]

WEBB

[5] Telegram Secto 112 recommended, in light of British and French confusion concerning the use of the abbreviated treaty, that a detailed scenario be devised which explained how the United States proposed to use it. (740.5/11-2951)

[6] The British and French agreed that the meeting should be held in early January. (Telegram 2617 from London, December 5, 663.001/12-551, and telegram 3373 from Paris, December 6, 663.001/12-651)

## No. 591

663.001/12-1351: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, December 13, 1951—8 p.m.

2037. Deptel 1470, Dec 11. [2] Advantage taken of Reber's visit to Vienna for further discussions Aust Deputies meeting and tactics. It was pointed out to Gruber that early meeting was desirable in view announced position three Western powers. More importantly, it seemed wise to conclude meeting before Western Foreign Mins reassembled at Lisbon and while UNGA still in session, for whatever psychological effect latter factor might have on Soviet attitude. Gruber agreed meeting.

In discussions with Brit and Fr HICOMs, it was agreed three Western elements here would suggest Jan 21 for Deputies meeting, with tripartite discussions to begin Jan 18. [3]

Report of discussions on tactics follows. [4]

DONNELLY

[1] Repeated to London, Paris, Moscow, and Bonn for Reber.

[2] Telegram 1470 transmitted the Department's response to Gruber's suggestion that the meeting be postponed until early February. The Department preferred a meeting in January in view of the tripartite agreement for an early session. The Embassy was instructed to assure Gruber that in all probability the meeting "will be short and of routine nature and will not conflict with his plans for People's Party Congress." (663.001/12-651)

[3] In telegram 2883 from London, December 27, the Department was informed that the British and French agreed to the date of January 21 for the Austrian deputies meeting. The CFM Secretariat planned to issue invitations to the four powers on December 28. (740.5/12-2751)

[4] *Infra.*

## No. 592

663.001/12-1551: Telegram

*The United States High Commissioner for Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, December 15, 1951—noon.

2060. For Perkins and Williamson. Pls inform the Secy that in accordance with his suggestion to me in Rome, three Western HICOMs here have consulted re tactics for next meeting Aust treaty deps. Fol are recommendations which we have now agreed upon (Embtel 2037, Dec 13 [2]), and which are being sent London and Paris by Brit and French HICOMs:

"1. Timing: Latest proposal suggested by US chairman is for mtg of deps on Jan 21, preceded by preliminary discussion between Western deps on Jan 18. On reconsideration Aust Min of Fon Affairs has no objection, and from local point of view nor have we.

2. Tactics: as preliminary step Sovs shld be confronted with present draft treaty (Western powers wld then make it clear that if Sovs were prepared to sign the present treaty, Western powers wld go long way to meet them on outstanding articles. Aust Govt wld wish us to be ready to accept present Russian texts of all outstanding articles for sake of treaty and if Sovs are prepared for serious negots, US-Brit-French elements in Aust wld recommend such action only as last resort in order to achieve treaty during forthcoming mtgs.

3. In any case we shld so steer matters that if Sovs refuse to sign treaty it will be quite clear that this is not because of Allied disinclination to make concessions, but because Sovs, directly or indirectly, by raising extraneous issues, will not sign even on their present terms for unagreed articles.

4. If no progress is possible despite repeated efforts, we recommend that negots shld be adjourned (not terminated) in order to enable deps to report back to their govt.

5. It will be desirable that next chairmanship shld be in Western hands.

6. It will also be desirable at this point for free consultation with Aust Govt about next step in light of what has actually happened at deps mtgs. Aust Govt has made it clear that it wld want to be able to carry Parliament and public opinion with them.

7. At this stage, question of publicity, including release of proposed US White Book, wld be considered by Western powers and the Aust Govt in light of developments.

8. If clearcut position has been reached that Sovs refuse treaty even on their present terms for unagreed articles, there wld appear to be three main courses open.

---

[1] Repeated to London, Paris, Moscow, and Bonn for Reber.

[2] *Supra.*

A. To do nothing;

B. To take matter before United Nations;

C. To endeavor to obtain Sov acquiescence in some form of instrument, such as US proposed abbreviated treaty, main object of which wld be to evacuate Aust in accordance with Moscow declaration of 1943.

9. We know from Austs that it wld be profoundly discouraging for them if course A were adopted. Outlook wld be hopeless for Austs and Western powers wld be shown to be defeatist and without ideas. All Western elements in Aust are against this.

10. All Western elements are equally against course B as next step. Submission of treaty to United Nations at this stage wld lead to no practical result, and such a failure wld have almost as depressing effect upon Aust public opinion as course A.

11. Austs are now in favor of course C. If this were agreed, new instrument cld either be presented by Western powers in Moscow in notes to Sov Govt, or cld be introduced at mtg of deputies convened for that purpose. We agreed with Aust Govt's preference for this course, provided that care is taken in way in which instrument is presented to Sovs. Any impression that it was "diktat" shld be avoided, and it shld be presented for discussion after an interval of not more than 10 to 14 days so that initiative remains in Western hands.

12. It is of course unlikely that Sovs, having refused to sign present draft treaty, wld agree at once to an instrument less favorable to them. But provided it is made plain from start that document is draft for negot, there is no reason why we should volunteer concession, and three Western elements here see no local objection to starting on lines of US proposed abbreviated treaty. If there are later to be concessions, it wld be up to Sovs to seek them.

13. As long as Sov refusal of present draft treaty was clearcut, there wld be no necessity to define our position toward that draft beyond saying that Sovs themselves were not prepared to complete it. If asked, by Sovs or elsewhere, what our attitude wld be if Sovs wished to take up discussion on present draft again, we cld reply that this was hypothetical question and problem wld be treated on merits if it arose. It shld, however, be clear that once Sovs have shown their refusal to accept present draft even on their present terms for remaining articles, only way of reviving present draft wld be direct Sov request. That wld effectually create entirely new situation, which wld have to be considered on its merits at the time.

14. Meanwhile present draft treaty wld be regarded as withdrawn from further discussion. Indeed, provided that we cld show that Sovs had themselves refused to complete it even on their present terms for unagreed articles, there wld be no other logical or dignified course.

15. In event of Sovs accepting treaty or new instrument, some consideration shld be given to ratification clause, i.e., we shld consider laying down that ratifications shld be exchanged within blank period of time."

Foregoing recommendations were discussed by three HICOMs with Reber in preliminary form, and in fact he participated in formulation. As will be apparent, they have been drafted from our local point of view, and we have not endeavored to assess other elements in situation. We believe it will be equally apparent, however, that they have been framed to refute what we understand to have been principal objections of Brit and French Govts to introduction of US abbreviated treaty (Secto 112, Nov 29 [3]).

By way of explanation, it wld be stated that by phrase "present Sov terms" used above is meant Sov text of unagreed articles as they stood immed prior to Sov introduction of Trieste and other extraneous issues into negots. Further in explanation we wld like to point out that we regard course of action outlined in paras 2, 3 and 4 above as essentially that suggested in Paris tel [3030], Nov 20 [4] to Dept rptd Vienna 95. While we recognize risk of such action, we regard it as calculated one we cld take, as some such bold step is needed for introduction of abbreviated treaty. [5]

DONNELLY

[3] Not printed, but see footnote 5, Document 590.

[4] Document 584.

[5] In telegram 1553 to Vienna, December 19, the Department of State informed Donnelly that it accepted the recommendations of the three Western High Commissioners as presented in this telegram. (663.001/12-1551)

## INTEREST OF THE UNITED STATES IN THE FORMATION OF A FUTURE AUSTRIAN ARMY AND THE ARMING OF THE AUSTRIAN *GENDARMÉRIE* [1]

## No. 593

763.5/1-451 Telegram

*The Ambassador in France (Bruce) to the Secretary of State* [2]

TOP SECRET PARIS, January 4, 1951—1 p.m.

3786. Dowling's presence in Paris for meeting on Austrian occupation costs has afforded opportunity for renewed discussion at Foreign Office re Austrian army. We informed Sauvagnargues that British are sending agreed directive to Caccia (London's 3649 to Department December 29). [3] Discussion of proposed tripartite action disclosed that Foreign Office had apparently not been informed by French HICOM of precise nature proposed security precautions

[1] Continued from *Foreign Relations*, 1950, vol. IV, pp. 473 ff.

[2] Repeated to London and Vienna.

[3] Not printed.

worked out in Vienna nor of limited scope of preparatory work to be required from Austrians.

Sauvagnargues detailed French objections to tripartite action at this time, which fall into three categories: Foreign Office (a) unconvinced need for preparatory work at this time in view Soviet intransigence re Austrian treaty; (b) fear giving grounds for Soviet suspicion at time deemed especially delicate in view possibility of CFM in near future; [4] (c) consider obstacles to expeditious completion of preparations on Austrian side are chiefly political, involving differences between People's Party and Socialists which could not be solved without compromising security.

Dowling pointed out nature of proposed security precautions, necessity for legal technical groundwork being laid, and explained that tripartite action as contemplated would preclude discussion of political aspects at this time. Moreover, even possibility of CFM merely points up need to be prepared contingency of Soviet about-face re Austria. Discussion appeared to narrow down French objections to the second one stated above, i.e. fear of arousing Soviet suspicions on possible eve of CFM, and it became evident that misgivings on those grounds were not confined to working level of Ministry but apparently conform to pattern of French policy on other matters as well. Sauvagnargues indicated Foreign Office now preparing formal reply to our *aide-mémoire* of October 16 (Embtel 2063, October 17) [5] and that reply will suggest holding contemplated tripartite action in abeyance for time being.

Sauvagnargues hinted at disagreement on this subject between Foreign Office and French Defense Ministry which apparently is pressing for security precautions in Austria which would transcend those which we propose in contemplation of possible treaty and which would quite likely give grounds to the kind of Soviet suspicions which Foreign Office deprecates.

BRUCE

---

[4] Plans were underway for Four-Power Exploratory Talks in Paris which were intended to prepare agenda for a possible meeting of the Council of Foreign Ministers. See Document 534.

[5] Not printed.

## No. 594

763.5/1-451: Telegram

*The Secretary of State to the Embassy in France* [1]

TOP SECRET WASHINGTON, January 15, 1951—4 p.m.

3715. Dept plsd Brit agreement proposed instr re Aust army to West Hi Commissioners. Does London's 3649 Dec 29 [2] mean that UK has already issued directive Brit HICOM Vienna without awaiting Fr concurrence? Dept most anxious to proceed but has been reluctant issue directive until tripartite agreement obtained.

US funding obligations to date total in excess 70 million dols and program rapidly reaching stage which wld assure availability necessary requirements to warrant conclusion Aust Treaty with time guarantees provided thereunder for ratification, etc. [3] US has been pressing for Fr agreement for more than a year and Fr have had since last Aug to consider program worked out at tripartite talks Wash. [4] As already pointed out by Dowling consider Fr objections lack merit (Paris' 3786 Jan 4). [5] Under these circumstances and in light Brit agreement Dept feeling is that Fr shld be willing go along in interest tripartite unity. As previously stressed this govt and presumably also Brit fully conscious risks Sov reaction but consider overriding risk loss Aus due unpreparedness consequence failure West render required assistance.

Settlement Aust problem considered essential item in 4-power talks and contemplate proposal in regard thereto at tripartite conversations which must necessarily precede talks with Sovs. Since West Powers cld not agree withdrawal troops Austria in absence Aust force in being capable assuring internal security, it is imperative phasing implementation program get under way without further delay. Request therefore matter be discussed high Fr Govt level with view obtaining early Fr concurrence dispatch instr West HICOMs. If Fr unwilling send instr agreed form to Fr HICOM request Fr indicate no objection US and Brit dispatch instr in form

---

[1] Drafted by Edgar P. Allen of the Office of Western European Affairs and cleared by Williamson, Jessup, and Bray. Repeated to London and Vienna.

[2] Not printed.

[3] The Department of State approved a total allocation of $71,053,530 in the MDA stockpiling program for an Austrian army. (Memorandum, January 12, 763.5/1-1251)

[4] For documentation concerning the tripartite talks in Washington in August 1950, see *Foreign Relations*, 1950, vol. IV, pp. 479 ff.

[5] *Supra.*

already agreed and that Fr HICOM be instrd cooperate in West program.

ACHESON

---

## No. 595

763.5/1-1851: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

TOP SECRET LONDON, January 18, 1951—8 p.m.

3990. Deptel 3715, January 15 to Paris, repeated London 3394, Vienna 1362. [2] FonOff Austrian desk officer confirmed that agreed directive re Austrian army had been sent UK HICOM. He added, however, that Caccia had been authorized to change text on his own authority if necessary to obtain French concurrence, providing of course changes also agreeable to his US colleague.

We called Mallet's attention to desk officer's statement, pointing out that it appeared inconsistent with impression we had received that FonOff had agreed to text without reservation. On basis our understanding Department had just instructed AmEmb Paris to make further attempt to obtain French concurrence to agreed directive and should they still be unwilling, to seek their agreement to procedure set forth final sentence reftel. Department's instruction did not as we read it contemplate any changes in directives. Moreover, discussions with French HICOM envisaged in instructions to Caccia might only serve to delay matters at very time when it is to our common interest that phasing implementation program get under way as rapidly as possible.

Mallet confirmed our understanding that FonOff had approved directive without reservation and said he had not been aware that instructions had been sent to Caccia authorizing him to make changes in it. He assured us that matter would be straightened out at once.

GIFFORD

---

[1] Repeated to Vienna and Paris.

[2] *Supra.*

## No. 596

763.5/2-151: Despatch

*The Ambassador in France (Bruce) to the Secretary of State* [1]

TOP SECRET PARIS, February 1, 1951.
No. 2127

Subject: Transmitting French *aide-mémoire* re Austrian army (Ref Embtel 4543 of February 1, 1951 [2])

The Embassy encloses, in informal translation and in the original French, [3] the *aide-mémoire* tendered to the Embassy today, containing the French Government's official reply to the Embassy's *aide-mémoire* of October 17 on the subject of the future Austrian army, [4] which had been handed to the Foreign Ministry pursuant to the Department's telegram No. 1861 of October 11. [5] As the Department will note, the French *aide-mémoire* is dated January 18. The delay in its transmission was due to the lengthy clearance procedures referred to in the Embassy's telegram under reference as well as in the Embassy's telegram No. 4160 of January 18. [6]

In handing the *aide-mémoire* to an officer of this Embassy, Sauvagnargues, the chief of the Ministry's Division of Central European Affairs, remarked upon the unfortunate wording of the beginning of the fifth paragraph, which might more felicitously have expressed the Ministry's agreement with the contemplated procedure, with certain qualifications, rather than what would appear, on first reading, to be a disagreement in principle. As the Department will note, the French Government is in accord with the substance of the contemplated approach to the Austrian Government, and the limitations which it proposes were intended only to offer more stringent safeguards of security.

When it was pointed out to Sauvagnargues that the French position as expressed in the *aide-mémoire* is quite likely to decrease rather than increase the possibility of secrecy—implying, as it does, that political agreements between the coalition parties must precede any planning work on the Austrian side—he remarked that the *aide-mémoire* leaves the question entirely open whether the American security plan is to be adopted, and that if the High Commissioners were to receive the directive in the amended form that

[1] Copies sent to London and Vienna.
[2] Telegram 4543 briefly summarized the French *aide-mémoire*. (763.5/2-151)
[3] The French text is not printed.
[4] Not printed.
[5] Same as telegram 1850 to London, *Foreign Relations*, 1950, vol. IV, p. 494.
[6] Telegram 4160 summarized the draft of the French *aide-mémoire* and noted that it still needed clearance by the French Ministry of Defense. (763.5/1-1851)

the French propose, they would have sufficient leeway to decide locally on the "technical" aspects of its implementation.

DAVID BRUCE

[Enclosure—Translation]

TOP SECRET PARIS, January 18, 1951.

AIDE-MÉMOIRE

The Government of the French Republic has carefully studied the report rendered on August 11, 1950, at Washington, by the tripartite working party on the equipment of a future Austrian army, [7] as well as the *Aide-Mémoire* submitted on October 17, 1950, by the Embassy of the United States.

The French Government is in agreement with the American and British Governments in considering that it is essential to take all useful steps in order that the Austrian armed forces foreseen by the draft treaty can be established and equipped within the period of 90 days which is foreseen between the ratification of the treaty and the evacuation of Austria by the occupation forces.

The French Government accepts, consequently, the part of the report of Washington which deals with the equipment of Austrian forces numbering 28,000 men, although it is deemed necessary to recall that due to the increasing costs of its own military program, it is unable to reconsider its position regarding the financing of such equipment.

The action that is envisaged should not, in the view of the French Government, involve an immediate stockpiling of arms, munitions and other materials on Austrian territory. Such a measure could, in fact, not be kept secret and it would not fail to bring about Soviet reactions of a kind that would call into question the functioning of quadripartite controls. If, for technical reasons, immediate stockpiling appears necessary, it would be preferable to undertake this outside of Austrian territory, for instance in the American occupation zone of Germany.

Moreover, the French Government is unable, for the moment, to accept without reserve the recommendations of the Washington report relative to conversations between the Allies and the Austrians on the organization of the army. Indiscretions seem, in effect, to be hard to avoid. Inasmuch as the American and British Governments, as well as the French Government, consider the quadripartite functioning of the Allied Council as one of the fundamental

[7] *Foreign Relations*, 1950, vol. IV, p. 488.

elements of their general policy in Austria, it would be inopportune to give the Government of Moscow in this manner a pretext to accuse the Western Powers of a violation of the Control Agreement, and to bring about the partition of Austria.

The French Government does not, however, perceive any objection to having the High Commissioners devote their primary attention to the question of the establishment and training, within the agreed limits, of *gendarmérie* units in the western zones. It would be equally disposed to agree that the High Commissioners communicate the Allied projects orally to a limited number of members of the Austrian Government, which could be the Chancellor, Vice Chancellor, Minister of Foreign Affairs and Minister of Interior. On the occasion of that *démarche*, they would express their desire to have the two principal political parties of Austria compose their differences on the subject of the future army.

The government consequently accepts the draft instruction to the High Commissioners which was prepared pursuant to agreement between the American and British Governments, with the following qualifications:

1. In paragraph 2(a), substitute "training *the* expanded *gendarmérie* as quickly as possible" for "training *an* expanded *gendarmérie* as quickly as possible."
2. In paragraph 2(b), eliminate in the second sentence "and continuing pressure should be exerted upon the four ministers to build up the *gendarmérie* reserve" and eliminate likewise, in the last sentence "and examine with them whether the minimum necessary number of experts could not be attached to one of the three Western Headquarters for the purpose of carrying out the work described above."

---

## No. 597

763.5/2-151 Telegram

*The Secretary of State to the Legation in Austria* [1]

TOP SECRET WASHINGTON, February 5, 1951—6 p.m.

1524. Paris' 4543 Feb 1. [2] Fr modifications accepted and fol is Dept's understanding of directive in form agreed on tripartite basis:

"1. Final Report, including recommendations, tripartite working group Aust army dated Aug 11/50 adopted in principle by West Govts. You will accordingly be guided by provisions this report to

[1] Drafted by Allen and cleared with Williamson. Repeated to London and Paris.
[2] Not printed, but see footnote 2, *supra*.

extent they concern ur responsibilities and subj to any modifications contained in present directive.

2. US, Brit and Fr Govts having accepted joint responsibility for assuring existence by time occupying forces withdrawal Aust security forces adequate maintain internal order, you shld:

a. Cooperate with other West representatives in further development and implementation plan Aust army to extent feasible this time in accordance with Para 8 Final Report tripartite working group. Implementation phase one (period prior to signing Treaty) shld be vigorously pursued with particular reference to training expanded *gendarmérie* reserve rapidly as possible;

b. Approach in concert with ur Brit and Fr colleagues Aust chancellor, Vice chancellor, MinFonAff and Min Interior with object of securing agreement in principle of Aust Govt to plan. Every effort shld be made to resolve differences between major polit parties on this subj. These four Mins shld be cautioned re need for secrecy. It will be necessary to prepare legis and to make provisions for funds and to initiate and develop plans covering recruitment, training, control, pay, revision of mil law manual, etc. This work clearly can not be done by four Mins and officials will have to be designated for purpose. In view however of essential importance of insuring secrecy officials can not be allowed to do this work in their Depts. You shld therefore discuss with four Mins how best to get over this difficulty.

3. The greatest degree of discretion shld be exercised by you and ur West colleagues in negots with Austs and in otherwise implementing agreed plan. All precautions possible within framework plan shld be taken with view minimizing the risk of Sov reaction and avoiding retaliation against Aust Govt or other adverse effects in Austria, in Allied Council or in Treaty negots.

4. You will keep ur govt currently informed concerning the progress of the agreed program.

5. Plans for the creation of Aust air force are still under consideration by the three govts and further info in regard thereto will be transmitted to you when agreement is reached."

ACHESON

---

## No. 598

763.5/11-251: Telegram

*The Acting Secretary of State to the Legation in Austria*

TOP SECRET WASHINGTON, November 2, 1951—4:51 p.m.

1131. For Donnelly. Gen Irwin's request for auth issue to Aust *Gendarmérie* on loan basis portions Aust MDAP stockpile has been subj discussions here between Defense and State. Consensus opin-

ion is proposed action cld be taken fol Presidential determination re necessity and notification to four Congressional Comites specified in Sec 101 Mutual Security Act 1951. In making such notification every effort wld be made preserve security but before pursuing matter further Defense and State are anxious know whether either you or Gen Irwin perceive any objection pursuing course outlined.

It is possible that alternative procedure making loan under plenary powers President cld be used but this method subj certain objections one of which might be necessity reimburse MDAP from Defense funds which understood not available for this purpose.

Pls consult Gen Irwin and report joint views. [1]

WEBB

[1] In telegram 1680 from Vienna, November 9, Donnelly informed the Department that he and General Irwin thought the first solution was best. (763.5/11-951)

## No. 599

CFM files, lot M-88, box 72, Bound volume—Austria, 1951

*The Deputy Under Secretary of State (Matthews) to the Secretary of Defense (Lovett)* [1]

TOP SECRET [WASHINGTON,] November 16, 1951.

MY DEAR MR. SECRETARY: The receipt is acknowledged of Mr. Foster's letter of October 10, 1951 [2] requesting the concurrence of the Department of State in General Irwin's proposal to issue to the Austrian *gendarmérie* on a loan basis certain necessary portions of the Austrian Mutual Defense Assistance Program established for the proposed initial 28,000-man Austrian army.

In the absence of information concerning the nature of the items which it is proposed to issue to the Austrian *gendarmérie*, it is assumed (1) that the equipment will be of types which will facilitate the *gendarmérie* training program and can be justified as equipment appropriate for domestic security forces; and (2) that none of the equipment will be of types which would warrant Soviet allegations that this Government is violating its international commitments by rearming and remilitarizing Austria.

As a result of discussions between representatives of your Department and the Department of State, it is my understanding that there is agreement to the effect that, prior to granting General Irwin's request, the President must make a determination pursu-

[1] Drafted by Allen.

[2] Not printed. (763.5/10-1051)

ant to the provisions of Section 101 of the Mutual Security Act of 1951 and this determination must be reported to the Congressional Committees specified in the Act. Ambassador Donnelly and General Irwin have recommended this course of action.

On the understanding that the Department's assumptions stated in paragraph 2 above are correct and that it meets with your approval, steps will be taken to initiate action in accordance with the procedure outlined.

A copy of this letter is being sent to the Director of Mutual Security.

Sincerely yours,

For the Acting Secretary of State:
H. FREEMAN MATTHEWS

# EASTERN EUROPE

## GENERAL POLICIES AND PROBLEMS IN UNITED STATES RELATIONS WITH EASTERN EUROPE AND THE SOVIET UNION; EFFORTS OF THE UNITED STATES TO ASSURE FULFILLMENT OF THE TREATIES OF PEACE WITH BULGARIA, HUNGARY, AND ROMANIA; CIVIL AVIATION POLICY TOWARD EASTERN EUROPE AND THE SOVIET UNION; ATTITUDE OF THE UNITED STATES TOWARD EASTERN EUROPEAN EXILE GROUPS AND ESCAPEES; RESPONSE OF THE UNITED STATES TO SOVIET PEACE PROPAGANDA [1]

## No. 600

611.61/1-351

*Draft NSC Staff Study, Prepared in the Department of State* [2]

TOP SECRET [WASHINGTON,] January 2, 1951.

### U.S. COURSES OF ACTION IN THE EVENT THE SOVIETS ATTEMPT TO CLOSE THE BALTIC

#### THE PROBLEM

1. U.S. attitude and courses of action in the face of Soviet agitation to close the Baltic to non-Baltic powers.

---

[1] For previous documentation on these topics, see *Foreign Relations*, 1950, volume IV.

[2] In a memorandum of October 6, 1950, to the Secretary of Defense (subsequently circulated to the National Security Council as NSC 88, October 17, 1950), the Joint Chiefs of Staff reviewed possible courses of action which might be taken by the United States in the event the Soviet Union attempted to close the Baltic Sea to the warships of non-Baltic nations. For text of the JCS memorandum of October 6, see *ibid.*, p. 58. At a meeting on October 19, 1950, the NSC Senior Staff agreed that the Department of State should prepare for consideration by the NSC Staff a draft report on the problem, taking into account the views expressed by the Joint Chiefs of Staff memorandum of October 6. This draft staff study was circulated under a brief memorandum of January 2 from NSC Executive Secretary Lay to the NSC Senior Staff. The draft printed here is a copy of the study transmitted on January 3 to the Bureau of European Affairs by Walmsley of S/A. The copy of the original version of this study as submitted by Jessup to Lay on December 26, 1950 (which differed from the version printed here only in the absence of numbered paragraphs) indicates that the study had been prepared by Higgs and Henry of EUR/EE.

*Continued*

ANALYSIS

2. It is not a new Russian thesis that the Baltic should be closed to non-Baltic powers. This view has recently been put forward again in Soviet publications. We believe that closure of the Baltic is not likely of acceptance by Denmark and Sweden unless accompanied by military force; we also believe that Soviet use of military means to close the Baltic is unlikely except in the event of general hostilities, in which case such means should be expected. In fact, in case of general hostilities, it would appear to us that we and our allies would wish to try to close the Baltic with a view to denying egress to, or reducing the effectiveness of Soviet naval power, especially submarines, stationed in the Baltic.

3. With respect to the means which might be resorted to by the United States to discourage or to prevent the Soviet Union from agitating for the closure of the Baltic, it would seem that suggestion a in paragraph 4 of the JCS memorandum of October 6, 1950, * namely that the United States should make full and frequent use of all existing rights in the Baltic, might have an effect opposite from that intended. Such a course on our part appears more likely to stimulate the Soviet Union to intensify agitation for the closure of the Baltic.

4. As to suggestion b in paragraph 4 of the JCS memorandum, we believe that the publication of articles in scholarly American journals would contribute to refuting the legality of a Soviet thesis of a closed Baltic Sea. We question the helpfulness to the United States and to other like-minded powers of a rash of articles in the press and the popular periodicals which could be interpreted as an organized campaign.

5. We agree with the JCS view expressed in paragraph 4c that we should encourage Sweden and Denmark to object strenuously to the Soviet thesis. There is no sign, however, that either with or without such encouragement the Swedes or the Danes are, at the present time, modifying in any fashion their traditional attitude toward an open Baltic Sea. It is agreed that advantage should be taken of all appropriate occasions for diplomatic action by the United States designed to foster the already friendly disposition of Denmark and Sweden toward the United States, and to encourage the respective governments, with the backing of the people, to resist Soviet demands or blandishments. Examples which can be pointed to as situations resulting from successful diplomatic actions in recent years in connection with these two countries are their

---

Regarding the disposition of this draft staff study, see the memorandum of January 19 from Jessup to Perkins, Document 603.

* NSC 88. [Footnote in the source text; see footnote 2, above.]

membership in the OEEC; Danish entry into the NATO; and their membership in the UN.

6. In connection with the consideration of possible Soviet reactions to the decision in the NATO to invite the Federal Republic of Western Germany to participate in the defense of Western Europe, examination has been made in the Department of State of the Baltic as one of the areas in which the Soviets might take retaliatory action. We believe that the most likely Soviet move would appear to be increased pressure on Finland. For example, the Soviet Union might endeavor to influence the composition of the Finnish government, or might try to create closer political ties, or to obtain additional military bases. Soviet diplomatic protests might also be lodged with Sweden, Denmark, and Norway against some pro-western action on their part. The USSR might also extend its campaign of terrorizing Baltic trade and fishing by unwarranted seizures of vessels on the high seas. Such an approach toward closure of the Baltic would seem more probable than an outright pronouncement to that effect.

7. At the same time, Soviet propaganda and war of nerves may be expected to continue, and probably to be intensified, for the purpose (1) of discouraging Norway and Denmark from participation in NATO activities, and (2) of encouraging continued Swedish neutrality while at the same time charging that such neutrality is in fact anti-Soviet.

CONCLUSIONS

8. From the foregoing discussion it is concluded that:

a. The Soviet thesis of a closed Baltic does not present the United States with any real problem at this time.

b. The Soviet thesis, unless implemented with military force, is most unlikely of acceptance by either Denmark or Sweden.

9. The United States should, therefore:

a. Through unofficial personal contacts encourage the publication in scholarly journals of articles refuting the thesis of a closed Baltic.

b. Also through unofficial and personal contacts encourage Swedish and Danish publicists to write similar articles for publication both in their own countries and in other countries, including the United States.

c. Keep in touch with the Danes and the Swedes to ascertain any approaches that the Soviet Union may make to Sweden and Denmark for the closure of the Baltic, and indicate to the governments of these two countries the unalterable opposition of the United States to closing the Baltic to non-Baltic powers.

## No. 601

S/P-NSC files, lot 62D1, NSC 78

*Draft Report by the National Security Council, Prepared in the Department of Defense* [1]

TOP SECRET
[NSC 78/1]

[WASHINGTON, January 11, 1951.]

### PORT SECURITY

#### 1. THE PROBLEM

To study port security measures and appraise their effectiveness in relation to probable cost.

#### 2. FACTS BEARING ON THE PROBLEM

The ports, harbors, vessels, piers, docks and other United States waterfront facilities vital to military and commercial seaborne shipping are vulnerable to covert destruction by unconventional weapons, sabotage, accidents and negligence.

The President on 18 October 1950 issued Executive Order 10173 [2] invoking the general provision of the Magnuson Act [3] and prescribing certain new and detailed regulations relating to the safeguarding of United States territorial waters, harbors, and facilities and directed their enforcement by the U.S. Coast Guard.

In general, this Executive Order empowered the Coast Guard to carry out the following measures in all U.S. ports:

a. Supervise and control the movement of any vessel within the territorial waters of the United States which endangers the security of ports and vessels therein. This will permit the boarding of Soviet and satellite flag vessels by Coast Guard and customs personnel off the mouths of the 10 principal harbors of the United States to:

---

[1] NSC Executive Secretary Lay circulated this draft report to the NSC as NSC 78/1, January 11, "A Report to the National Security Council by the Secretary of Defense on Port Security". For an earlier report on the same problem prepared in the White House and subsequently circulated as NSC 78, August 7, 1950, see *Foreign Relations*, 1950, vol. IV, p. 41.

[2] On October 18, 1950, President Truman issued Executive Order 10173, "Regulations Relating to the Safeguarding of Vessels, Harbors, and Waterfront Facilities of the United States" (15 *Federal Register* 7005), which instituted a program of port security, closely following the recommendations of NSC 78.

[3] The reference here is to a bill, introduced by Senator Warren G. Magnuson of Washington, subsequently enacted into law as Public Law 679, approved August 9, 1950, entitled "An Act to Authorize the President to control the anchorage and movement of foreign-flag vessels in waters of the United States when the national security of the United States is endangered, and for other purposes". (64 Stat. 427)

1. Establish the identity of the vessel;
2. Determine whether the vessel should be permitted to proceed to its berth within the harbor by means of an examination of the ship's papers and such search as can be made under the circumstances.

b. The maintenance of close liaison with all intelligence agencies so as to be able to alert whatever force might be necessary to halt and divert ships indicated by intelligence as being potentially dangerous to the National security.

c. The close supervision of the loading of explosives and other dangerous cargo to lessen the chance of major destruction of vessels and port facilities resulting from explosion of such cargo.

d. The establishment and patrol of both the shore and water side of restricted areas around waterfront facilities where defense or dangerous cargoes are being loaded so as to minimize sabotage.

e. The screening through the FBI investigating files of officers and crews of United States merchant ships and of dock workers required for work in restricted areas so as to eliminate subversives.

The present status of implementation of each of the foregoing measures provided for in the Coast Guard's Supplemental Budget Request, 1951 is set forth in Tab A, Column 2. [4]

Additional laws concerning port security are contained in the following commonly known acts and regulations:

Espionage Act: Act of 15 June 1917 (USC Title 50, Sec 191, 193 and 194)
Dangerous Cargo Act (USC Title 46 Sec 170)
Customs Regulations

[Here follows section 3, comprising more than one-half of the report consisting of a detailed review of the modalities of a port security system.]

### 4. CONCLUSION

Hazards to port security resulting from seaborne or waterfront activity can be greatly reduced by:

a. The establishment of a specific port of entry on the Atlantic and Pacific seaboard for use by Soviet and Soviet satellite shipping.

b. The restriction of Soviet bloc shipping from the vital ports of Boston, New York, Norfolk, Galveston, San Francisco, Los Angeles and San Diego in the event (a) above is considered politically unadvisable.

c. The establishment of a seaman and dock workers security identification program.

d. The supervision and control of the movements of any vessels within the territorial waters of the United States which endangers the security of ports and vessels therein.

---

[4] Tab A is not printed.

e. The supervision and control of handling of explosives and other dangerous cargoes.

f. The establishment of seaboard beach patrols.

5. RECOMMENDATIONS

a. Designate the following ports as U.S. ports of entry for Soviet and Soviet satellite shipping:

Portland, Maine
Bellingham, Wash.

or restrict Soviet and Soviet satellite shipping from the ports of Boston, New York, Norfolk, Galveston, San Francisco, Los Angeles and San Diego.

b. Augment U.S. Coast Guard facilities and funds to permit implementation of the measures outlined in Tab A Col. 5. Estimated Requirement: 1,935 officers, 18,120 enlisted men, $200,000,000 during FY 1951 and $129,000,000 per annum thereafter.

c. Authorize and direct the U.S. Coast Guard to develop an extended port security program substantially as indicated in Tab A Col. 5.

---

## No. 602

*Editorial Note*

On January 19, the National Security Council approved NSC 66/1, "Intelligence Support for the Voice of America with Regard to Soviet Jamming," and transmitted it to the President for his concurrence. This report recommended that priorities be readjusted and that additional monitoring activities be established to check on Soviet jamming activities. The report was approved by President Truman on February 28. (S/P–NSC Files, lot 62D1, NSC 66 Series)

For text of NSC 66, "Support for the Voice of America in the Fields of Intelligence and of Research and Development," see *Foreign Relations*, 1950, volume IV, page 285.

## No. 603

611.61/1-1951

*Memorandum by the Ambassador at Large (Jessup) to the Assistant Secretary of State for European Affairs (Perkins)*

TOP SECRET [WASHINGTON,] January 19, 1951.

Subject: Senior NSC Staff Discussion on January 18, 1951 of NSC 88 "U.S. Courses of Action in the Event the Soviets Attempt to Close the Baltic" [1]

The burden of the criticism leveled by the Senior Defense and JCS representatives at the Department's paper of January 2, 1951, on the above subject, was that our paper did not address itself to paragraph 5 of the JCS memorandum of October 16 [*6*], 1950 (circulated by the NSC Executive Secretariat by memorandum of October 17, 1950). Paragraph 5 of the JCS memorandum enumerated possible courses of action by the U.S. in case the USSR officially announces the Baltic to be a closed sea, or by its actions indicates an intention to enforce closure.

My answer to this criticism was that closure of the Baltic, except by force, and in such event as a prelude to or part of general war, was not a present danger, in our opinion, and that therefore the courses of action were academic questions.

Our views to the contrary notwithstanding, the JCS representative was rather insistent that the maximum use by the U.S. of rights to free circulation in the Baltic, including showing the flag, is considered by the JCS important in order to prevent the curtain from moving westward at any time before hostilities; the closing of the Baltic in this fashion would mean, in his opinion, that the Russians could engage in the preparation of bases, etc. in secrecy.

Mr. Finletter for Defense suggested that an intelligent approach to the problem should embrace the views of General Eisenhower, or of the Standing Group of NATO, as to the effect on NATO plans and particularly the Scandinavian role in them, of closure of the Baltic. Mr. Finletter also asked the question whether, in the light of the views in support of an open Baltic by Sweden, Russian strictures or threats would not have the effect of pushing Sweden toward closer relationship with NATO.

The upshot of the meeting was the decision by the Senior Staff that the NSC Staff Assistants of State and the JCS collaborate in the preparation of a new paper covering paragraph 5 of the JCS

[1] Regarding NSC 88, October 17, 1950 (same as the JCS memorandum of October 6, 1950), see footnote 2, Document 600.

memorandum and reflecting the views of the Standing Group (or General Eisenhower) [2] and suggesting the probable answer to the question about Sweden asked by Mr. Finletter.

Mr. Hulley of BNA attended yesterday's meeting for EUR. [3]

---

[2] Jessup added the following handwritten notation at this point: "I doubt if we can or should try to get these views. PJ."

[3] In a memorandum of January 23 to Assistant Secretary Perkins, Jessup reported that the NSC Staff Assistants met on January 23 to discuss NSC 88. He commented on the meeting as follows:

"The observations made by the Service representatives showed clearly that the people who initiated NSC 88 are interested primarily and almost solely in courtesy visits to Sweden of U.S. war vessels and aircraft, particularly the former." (S/S–NSC files, lot 63D351)

---

## No. 604

*Current Economic Developments*, lot 70D467

### *Current Economic Developments* [1]

[Extract]

SECRET [WASHINGTON,] January 22, 1951.
No. 289

. . . . . .

### REVIEW OF US DANUBE POLICY

We have reviewed our Danube policy to determine whether the US could at this time undertake any useful action to restore freedom of navigation or whether the Danube issue could be utilized to advantage in any negotiations with the USSR. However, it is recognized that unless the power situation in Europe changes there is little hope that the west may achieve its objectives with respect to freedom of navigation on the Danube.

The US should continue to regard the Belgrade Convention of 1948 [2] as invalid, recognizing the statute of 1921 as the only binding international regime for navigation on the Danube. In cooperation with the UK and France we should continually seek every practical means to open the Danube to free navigation, utilizing

---

[1] *Current Economic Developments* was a weekly, classified publication, prepared by the Policy Information Committee of the Department of State. It was intended to highlight developments in the economic divisions of the Department and to indicate the economic problems which were currently receiving attention in the Department. It was circulated within the Department and to missions abroad.

[2] For documentation on U.S. participation in the Belgrade Conference on the Regime for Free Navigation of the Danube River of 1948, see *Foreign Relations*, 1948, vol. IV, pp. 593 ff.

any opportunity for bringing pressure to bear on the USSR and its satellites which may result from western control of the upper Danube and the situation created in Danubian navigation and within the Danube Commission by the changing position of Yugoslavia. Insofar as it is consistent with our political aims in regard to Yugoslavia, the difficulties of that country with the satellite nations on the Danube question should be utilized for propaganda directed against the USSR and its satellites. If the general situation in the Danubian and Balkan area, created by the violation of the satellite peace treaties and threats to the security of Yugoslavia and Greece, is raised with the USSR, the issue of freedom of navigation on the Danube should also be mentioned. While the western powers should be prepared to negotiate on the question of a new international regime for the Danube they should not agree to repeat any such procedure as the Danube conference of 1948.

*Developments Since Belgrade Conference.* Although the US has adequately publicized its opposition to the Belgrade Convention, no discernible effect has been made upon the actions of the Communist nations nor has the USSR given any evidence of weakening on the issue. The only formal action by the western powers since the Belgrade Conference was the submission of protest notes to the eastern bloc nations. Other than provocative replies from the USSR and Czechoslovakia, no further acknowledgement has been made. We have not considered it worthwhile to take the matter before the UN or the International Court of Justice. The possibilities of bringing economic pressure to bear are limited. The USSR controls the major portion of the river and the economic necessities of the Soviet bloc nations, at least at the present stage, do not seem to require any concession to the western position, although their trade with Germany and Austria via the Danube was important to them before the war and could benefit them again if revived.

The British and French Governments have adopted the same general attitude toward the Belgrade Convention as has the US. There is no reason to believe their attitude toward the problem has altered. However, there is no indication that either would favor raising the issue directly with the USSR other than as a pure formality and as a matter of record, in the absence of concrete indications that the Soviet position has weakened.

In opposition to the western position, the USSR and the Satellites have consistently maintained the validity of the Belgrade Convention. The USSR has proceeded to implement the Belgrade Convention and regular meetings of the Danube Commission created under it have taken place. The last such meeting was held at Galatz during December 1950 and the next is scheduled for May 1951. The maintenance of a Yugoslav position in the Commission is

becoming increasingly difficult and the Yugoslavs have denounced Soviet domination of the Commission both within its meetings and in propaganda. In spite of Yugoslav dissatisfaction, the Commission has been able to operate and the working out of the Belgrade Convention has not presented the west with an opportunity to exert pressure for its revision. Nor has the west found it necessary or desirable to establish a rival commission to administer those portions of the Danube under its control. Several incidents have occurred involving the shipping of Soviet bloc countries on the Yugoslav stretch of the river; however, Yugoslavia has not exercised its power to shut off traffic and thus sever the middle and lower Danube as a Soviet-bloc waterway. Some Yugoslav traffic has been allowed to pass through Hungary and the Soviet Zone of Austria to western Austria and Germany and the Soviets have conditionally approved limited Austrian traffic through the Soviet zone. However, recent west German efforts to obtain safe passage for their Danubian vessels enroute to Hungary proved fruitless since the Hungarians declined to raise the issue with the Soviets.

. . . . . .

---

## No. 605

Barrett files, lot 52D432

*Memorandum by the Assistant Secretary of State for Public Affairs (Barrett) to the Deputy Under Secretary of State (Matthews)* [1]

SECRET [WASHINGTON,] January 25, 1951.

Subject: Radio Free Europe

For a number of evident reasons, it is important that the topmost officers of the Department receive a broad fill-in on the subject of Radio Free Europe—so that they will know how much cooperation to give. With the concurrence of the other agency, I propose that either you or I cover the points in the attached memorandum in an oral report at an Under Secretary's Meeting, cautioning all concerned to hold the information tight.

I suggest you give me a buzz after you have read this. [2]

EDWARD W. BARRETT

---

[1] Copies of this memorandum were also sent to MacKnight (P) and Joyce (S/P). The source text indicates that it was seen by Matthews and was returned to Barrett's office on January 29.

[2] No record has been found of any further exchange between Barrett and Matthews on this subject prior to the Under Secretary's meeting of February 2 (see Document 611).

[Attachment]

SECRET [WASHINGTON,] January 24, 1951.

RADIO FREE EUROPE

1. I would like to make a brief report on Radio Free Europe so that the key officers in the Department will be aware of the organization and its relation to the Department.

2. Radio Free Europe is a division of the National Committee for a Free Europe. As such, it operates the Committee's newsgathering, programming and broadcasting facilities. One short wave 7 1/2 kw station is now in operation in Germany and a medium wave 135 kw transmitter will be in service there by April 1, 1951. Two additional 10 kw short wave transmitters will be completed by May 1, 1951.

3. As additional broadcasting facilities are completed in Western Germany, Radio Free Europe is taking steps to provide personnel, both indigenous and from the United States, to do their newsgathering, editing and programming in Europe rather than in this country. This step will place the program offices nearer the satellite areas, thus expediting the transmission of spot news of interest to these areas. It will also provide ready access to newly arrived exiles and defectors with up-to-date information.

4. RFE now broadcasts to five satellite countries: Bulgaria, Czechoslovakia, Hungary, Poland and Rumania. The programs include news items, features, and political reports from exiles. They are written and voiced by the nationals of the target countries. As a nongovernment operation, they can and do use exile spokesmen.

5. The Department was fully informed of the organization of NCFE and of the informal support and cooperation being provided by the United States Government. In June 1949 the Acting Secretary sent a circular airgram to most of our European embassies and legations [3] stating that although the Department had no active concern with the Committee's activities, it had given its unofficial approval to the Committee's objectives. It was further pointed out that because of the implicitly political nature of the Committee's work, there would be continuing coordination between it and the Department, and that the Committee would cooperate in every way to the accomplishment of our objectives in Eastern Europe and of the general aims of our foreign policy.

6. At a press conference on June 29 [*23?*], 1949, Secretary Acheson stated in response to a question that the Department was very

[3] For the text of the circular airgram, dated June 21, 1949, see *Foreign Relations*, 1949, vol. v, p. 289.

happy to see the formation of this group and welcomed its entrance into this field, giving the Department's hearty endorsement.

7. While it is inevitable that some people must know the full background of the Committee, this number should be kept to the absolute minimum as one of its principal advantages will be lost if the general public, particularly in Europe, has grounds for belief that RFE has any official or semi-official connection with the United States Government. While it is true that RFE personnel in Germany have been granted Post Exchange and Commissary privileges and the right to use requisitioned billets and offices, it should be borne in mind that this same logistic support has also been arranged for other private organizations such as CARE, the American Express Company, and numerous newspaper and radio correspondents. Every precaution should be taken by Department officers to keep overt contacts with RFE officers at a minimum and such cooperation as is necessary and desirable should be carried on in the most discreet manner possible.

8. C.D. Jackson, publisher of *Fortune* has recently agreed to serve as President of the National Committee for Free Europe. He will replace Dewitt Poole who will remain as Vice-Chairman of the Board. I believe that Mr. Jackson, as an experienced propaganda warfare expert, will give the Committee and RFE the leadership and drive which has been needed.

---

## No. 606

S/P-NSC files, lot 61D167, NSC 78 Series

*Memorandum Prepared by the White House Staff* [1]

TOP SECRET WASHINGTON, 30 January 1951.

Subject: Decision on Port Security—NSC 78/1 [2]

NSC 78/1 contains a study of measures which might be taken to enhance port security. In carrying out an expanded program for port security, the following shall govern:

(a) Soviet and Soviet satellite flag vessels are to be denied entry to the major ports listed on page 3 of NSC 78/1 [3] but are to be per-

---

[1] Circulated to the National Security Council under cover of a brief explanatory memorandum of January 31 by NSC Acting Executive Secretary Gleason.

[2] Same as the draft NSC report prepared in the Department of Defense, Document 601.

[3] The major ports listed on page 3 of NSC 78/1 were: Boston, New York (including New Jersey ports), Philadelphia (including Wilmington), Hampton Roads (including Norfolk, Newport News, and Baltimore), Puget Sound (including Seattle and Tacoma), Portland, Oregon, San Francisco and Bay ports, Los Angeles Harbor, New Orleans, Galveston (Houston), Duluth, and Chicago.

mitted to enter any other United States port, unless it has been determined that such entry would violate national security. In the case of these latter ports this involves planning for a lower degree of security in terms of a calculated risk.

(b) For the present, a single port, such as Hampton Roads (including Norfolk, Newport News, and Baltimore), should be selected as a pilot installation for a comprehensive port security program. This program should include those parts of the harbor defense systems under the cognizance of the Navy Department, such as nets, control vessels, etc. With regard to this port, it should not be necessary at this time to enter into as complete a program as contemplated in NSC 78/1. However, the pilot study should be designed to permit the accumulation of sufficient experience and the development of procedural background to serve as a guide for the extension of the program, if and when it becomes necessary.

(c) With regard to the enforcement of safety regulations, such as fire codes, the Secretary of the Treasury, through the Coast Guard or such other agent as he may deem appropriate, should call on local authorities to increase their potential for the protection of harbor facilities and vessels in harbor in order to hold to a minimum federal commitment in this field. Such action should be consistent with other protective measures which municipalities will be called upon to exercise in connection with the Federal civil defense program.

(d) Since the Coast Guard may ultimately operate as a service in the Navy (14 USC 3), advantage should be taken of Navy guidance in establishing and meeting mobilization requirements.

(e) The Coast Guard and the Navy should establish a joint committee or adopt other appropriate means for coordinating and integrating their programs. A continuing review of the port security program should be maintained and periodic reports made to me as to its adequacy and appropriateness in terms of current and emerging requirements. In connection with the construction of vessels, the acquisition of equipment, and with regard to other related matters in which these services have mutual concern, such priorities as are necessary should be determined. There should also be a continuing review of other defense-related proposals for the expansion of Coast Guard activities. Included in this category are such items as state of readiness, search and rescue operations, loran and other navigational aids, and ocean weather stations. [4]

---

[4] A joint Department of the Navy-Department of the Treasury Committee was subsequently established in accordance with this article. Recommendations by the committee for additional measures for port security were set forth in a 33-page draft report circulated to the National Security Council as NSC 78/2, September 4. The committee's recommendations were submitted to President Truman by Rear Adm. Robert L. Dennison, Naval Aide to the President, on November 6. On November 7 Admiral Dennison informed NSC Executive Secretary Lay that the President had approved the recommendations which were forwarded to the Bureau of the Budget for implementary action. The recommendations included a proposal for an Executive Order prohibiting Soviet and Eastern European vessels from entering certain U.S. ports, and certain administrative support activities designed to enhance port security. (S/P-NSC files, lot 62D1, NSC 78)

(f) The Secretary of State should be consulted in regard to any measures proposed in connection with the port security program which may affect our foreign relations.

---

## No. 607

740.001/1-3151: Circular airgram

*The Secretary of State to Certain Diplomatic Offices* [1]

SECRET WASHINGTON, January 31, 1951—8:25 a.m.

Following received from Paris as 4427 January 28:

"Interior Ministry's orders of January 24 (carried in *Journal Officiel* January 26) calling for dissolution within one month of WFTU, WFDY and IFDW are of notable importance. Coming as they do in wake of government's recent anti-Commie policy statements and actions outlined in Emdes 1908, January 15, [2] and of latest measures taken by government on occasion January 24 anti-Eisenhower demonstration, [3] they offer further encouraging evidence of official determination to deal energetically with Commie threat in France. By its action, French Government has deprived leading Commie front organizations in fields of international labor, women's and youth's activities of hallmark of respectability which presence of their headquarters in this western capital has heretofore constituted with resultant enhancement to their political influence and prestige. Presumably they will now find it necessary to transfer their official seats to points behind iron curtain where source of their political inspiration will be more readily identifiable to western opinion generally.

"French affiliates of these organizations, such as CGT, Union de la Jeunesse Republicaine de France and Union des Femmes Francaises may be expected to continue their own activities here unobstructed. However, their authority should become more questionable in consequence of government's action as it will no longer be reinforced by officially tolerated presence in France of those Cominform organizations immediately responsible for their control and for coordinating their activities with those of similar organizations abroad. From practical standpoint, termination of such convenient means of direct liaison will doubtless have no more than nuisance value for French affiliates and offer no serious handicap to their continued effective operation. It may nevertheless serve to isolate them to limited degree. It is clear that prime advantage to result from government's action is that of further impressing on world

---

[1] Drafted by Bonbright (EUR). Sent to The Hague, Oslo, Copenhagen, Bern, Stockholm, and Frankfurt. The same instructions had been sent to Rome, London, Brussels, and Luxembourg on January 29 and to Vienna on January 30.

[2] Not printed.

[3] For documentation on the tour of North Atlantic Treaty Organization capitals in January 1951 by the Supreme Allied Commander, Europe (Eisenhower), see vol. III, Part 1, pp. 392 ff.

opinion real character of their role as concealed instruments of Soviet policy.

"Concern with which CPF views these measures is fully evidenced in Duclos declared intention to interpellate government on subject and in lengthy party protest contained in *Humanite* [4] of January 27 characterizing them as further example of progressive fascization of France on road toward war. CPF protest reads in part: 'Doubtless it is not within power of little men who temporarily are administering France to suppress democratic organizations which unite tens and tens of millions of workers, women and youth in all countries of the world . . . but those who govern us hope to merit Eisenhower's confidence by bringing some miserable obstructions to fruitful activities of these peace organizations.' Protest calls on people to unite to bring about revocation of government's orders and answer them by 'considerably strengthening' French affiliates of banned organizations. Protest concludes with declaration of party's intention to unite with all 'democratic organizations' in powerful protest demonstrations on February 11 in commemoration seventeenth anniversary of 'February days' of 1934 and 'great days of union and struggle against fascism.' "

Having been barred from France it seems to us extremely likely WFTU will make strong efforts establish their headquarters in some other Western European country. In our view we should leave no stone unturned in barring them from Western Europe and forcing them settle behind Curtain where they would be more easily identified with Hammer and Sickle.

Suggest you bring above considerations discreetly to attention Government to which you are accredited. We would appreciate being informed of their reaction together with information regarding any approach which WFTU may have made.

ACHESON

[4] *L'Humanité*, daily newspaper of the French Communist Party.

## No. 608

103.1/2-151

*Memorandum by the Secretary of State*

TOP SECRET [WASHINGTON,] February 1, 1951.

MEMORANDUM ON THE NATIONAL SECURITY COUNCIL MEETING [1]

ITEM 2—PORT CONTROL

The President approved the document dated 30 January 1951 [2] and at the meeting signed a letter to the Secretary of Defense and a letter to the Secretary of the Treasury putting its provisions into effect. Prior to his approval, I asked the three questions indicated on Mr. Fisher's memorandum, [3] and got the following replies.

The memorandum of January 30, in paragraph (a) recommended that certain vessels were to be denied entry to the major ports listed on page 3 of NSC 78/1. [4] I asked whether it was quite clear that we meant the list on *page 3* and not the list on page 4, [5] since only exclusion from the latter list had been recommended in the main paper. The President replied that reference to the list on page 3 was correct and had been made at his suggestion because he thought that the list on page 4 was too restrictive.

Second, I asked whether I was correct in the belief that since United States flagships and friendly ships which had docked at Soviet or satellite ports were not mentioned in the memorandum of January 30, this meant that they were not to be subjected to the controls discussed in the main paper and earlier papers. The answer was that I was correct in this belief.

Third, I asked whether I was correct in believing that Finland would not be treated as a satellite country in view of the arrangements which had been worked out. [6] The President replied that this was correct.

I did not raise the question as to whether we should denounce the treaty with Poland. This was in part because I could not remember whether or not we were firmly of the opinion that it

---

[1] The National Security Council's 82d meeting, February 1.

[2] Document 606. NSC Acting Executive Secretary Gleason's memorandum of February 1 to the National Security Council recording the President's action indicates that it was NSC Action No. 428a. (S/P-NSC files, lot 61D167, NSC 78)

[3] Legal Adviser Fisher's memorandum has not been further identified.

[4] The major ports under reference here are listed in footnote 3, Document 606.

[5] The major ports listed on page 4 of NSC 78/1 were: Boston, New York, Norfolk, San Francisco, Los Angeles, San Diego, and Galveston.

[6] The treatment of Finnish ships under U.S. port control measures was described in Legal Adviser Fisher's memorandum of August 22, 1950, to the Secretary of State, printed in *Foreign Relations*, 1950, vol. IV, p. 50.

should be renounced. I suggested that this be taken up by Mr. Fisher with the appropriate agencies or by me with the President.

D [EAN] A [CHESON]

---

## No. 609

611.61/2-251

*Draft Report by the NSC Staff Assistants to the NSC Senior Staff* [1]

TOP SECRET [WASHINGTON, undated.]

[Subject:] Report to the Senior NSC Staff by the NSC Staff Assistants on NSC 88, "United States Courses of Action in the Event the Soviets Attempt to Close the Baltic."

References: [2]

A. NSC 88, Note by the Executive Secretary of October 17, 1950, to the NSC enclosing a memorandum on the above subject by the JCS.

B. Record of Meeting of Senior NSC Staff, October 19, 1950 paragraph 4.

C. Memorandum for the Senior NSC Staff, January 2, 1951, by the Executive Secretary, enclosing NSC Staff Study on the subject.

D. Record of Meeting of Senior NSC Staff, January 18, 1951, paragraph 3.

At its meeting on January 18, 1951, the Senior NSC Staff referred the draft report of January 2, 1951, prepared in the Department of State, to the Staff Assistants for revision.

The following report is in response to the Senior NSC Staff's request:

The conclusion is that no national security policy recommendations by the Senior Staff to the Council are required by the problem raised of possible Soviet attempt to close the Baltic.

The problem resolves itself into two phases, for either of which existing national policies provide ample authority for action by the Executive Branch. These two phases are:

---

[1] The source text bears no indication of date or authorship. No other papers have been found to confirm that this paper was actually circulated within or accepted by the NSC Senior Staff, the NSC Executive Secretariat, or any other part of the NSC apparatus. The source text was attached to a memorandum of February 2 from Walmsley (S/A) to Bonbright (EUR) and Nitze (S/P) which stated in part that at a meeting of the NSC Staff Assistants (presumably on January 23) the NSC Executive Secretariat suggested that the JCS and Department of State combine on drafting a report on NSC 88.

[2] Regarding the documents under reference here, see footnote 2, Document 600, and the memorandum from Jessup to Perkins, Document 603.

(1) A closed Baltic as a Soviet thesis of international law;
(2) Closure of the Baltic by the Soviets as a deliberate act of war, or of force accompanied by a willing acceptance of the risk of war.

As to the first phase, the present discussion, and that in the Department of State's report of January 2, indicate that the Baltic will not be closed merely by the publication in a Soviet journal of a Soviet thesis that the Baltic is a closed sea, or by a Soviet pronouncement of such thesis. The political, maritime and economic interests of the Baltic powers other than the USSR have undergone no modification which renders less vigorous the traditional thesis of those powers in support of an open Baltic.

Neither the courses of action set forth in paragraph 9 of the State Department's report of January 2, 1951, nor the dispatch of U.S. naval vessels or military aircraft to friendly Baltic countries, to show the flag, require security policy recommendations. Established policies and practices provide the authority for diplomatic approaches to and support of the Baltic countries, for encouragement of the publication of scholarly treatises on the international character of the Baltic, and for clearing of visits of U.S. public vessels and aircraft.

With respect to the second phase, should the USSR resort to force, and Article V of the North Atlantic Treaty were invoked, the United States Government would presumably prepare to put into effect its emergency war plans.

It is, therefore, recommended that no report on the subject to the National Security Council be submitted, and that this project be dropped.

---

## No. 610

120.4351/2-251: Telegram

*The Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State* [1]

TOP SECRET PARIS, February 2, 1951—8 p. m.

4559. Chiefs Eastern Missions meeting at Paris, January 30–February 2 [2] reached following conclusions and recommendations:

---

[1] Repeated to Moscow, Praha, Warsaw, Budapest, and Bucharest.

[2] The Chiefs of the Missions in Eastern European countries met in Paris January 30–February 2 to exchange views, discuss questions of mutual interest, and make recommendations to the Department of State. This was one of a series of such meetings held periodically by American diplomatic officers in various regions of the world. Participating in this meeting, chaired by Assistant Secretary Perkins, were: Ambassador in the Soviet Union Kirk, Ambassador in Czechoslovakia Briggs, Ambassador in Poland Flack, Chargé in Romania Gantenbein, and Chargé in Hungary Mokma. Much of the meeting was devoted to detailed situation reports by the various Chiefs of Mission. There were also discussions of Soviet short term and long

*Continued*

*I. Political matters.*

1. Consolidation Communist control over captive peoples in orbital countries has been extensively advanced during past year with conspicuous success in campaign against Church even though this organization remains only important factor opposition Communist regimes.

2. Concentrated attempt being made in every satellite state improve political reliability and professional competence armed forces has been carefully noted. Although development military capabilities of Soviet Union and satellites progressing steadily (more rapidly in Hungary), present signs suggest this effort designed build up long term military strength rather than support hostilities in immediate future.

3. It was agreed that notwithstanding difficulties dealing with exiles and organizations of exiles affiliated with NCFE these do furnish sources of hope to captive countries and useful focal points for activities in support cause of freedom.

*II. Economic matters.*

1. Extensive progress has been made during past year in eastern reorientation satellite economies. Economic integration Soviet bloc as self-sustaining unit raises question whether initiative in moving toward any severance economic relations between East and West does not lie with Moscow rather than with us.

2. Every reasonable effort should be made by West countries withhold latest technical know-how from Soviet bloc, even though problem control in this field difficult, as means assuring continued technical superiority West.

3. Concrete means should be taken to halt access by Soviet bloc to key raw materials such as rubber, tin, industrial diamonds, sisal, jute, et cetera.

4. Present East-West trade export controls should continue under constant study to achieve maximum benefit to West. Following specific measures are recommended:

a. Continuing consideration should be given to East-West trade agreements and their negotiation.

b. Cooperation of countries outside consultative group with regard to export strategic materials should be obtained.

c. Leakage of strategic materials to East should be prevented by adequate controls and enforcement.

---

term intentions, export controls, diplomatic reporting, the protection of American official personnel and private citizens, and administrative problems at the Eastern European posts. The 60-page report on the proceedings of the meeting and correspondence on the convening of the meeting are in file 120.4351 and Paris Embassy files, lot 58F53, 350—Ambassadors' meeting.

5. Development of alternative sources of supply and new markets for West European industry should be accelerated.

*III. Informational activities.*

1. The provision of assistance to VOA is regarded as one of primary functions of US mission in satellite country. Each mission should continue to supply suggestions and guidance so that VOA may appeal to local nationalism against unpopular Communist measures with view to undermining benefits derived by Soviet Union from domination captive countries.

2. In regard to Soviet Union, it is necessary to lay even greater stress in VOA programs on building reputation for credibility through calm dispassionate recital of fact. This lays sound basis for combating Communist propaganda and for weakening position of Soviet state with Russian people.

*IV. Protective efforts.*

1. Application of reciprocal treatment is our best means of countering restrictions applied against our missions in East Europe. In applying such restrictions, there is no need for us to limit ourselves to duplicating restrictions against our personnel. For example, it might be useful to require:

a. Exit permits as form of retaliatory action against restrictions imposed on our personnel; and
b. Export permits as form of retaliation against restrictions on free entry imposed on our missions in East Europe.

2. It is desirable that Department deny passports to individuals who have visited Hungary in violation of our ban on travel of American citizens in that country.

3. Department should furnish American personnel in East European countries now documented with special passports with diplomatic passports for added protection.

4. General evacuation of women and children should not be undertaken at this time.

*V. Administrative problems.*

1. In order to clarify what is desired in preparation of Joint Weeka, new formal instructions on its content and arrangement should be issued.

2. Quarterly reports are considered more useful than monthly reports and are believed to permit the missions greater possibilities for comprehensive and interpretative analysis.

3. The proper interpretation of significant information about Eastern developments with particular reference to Soviet intentions depends on careful coordination between our missions in East Europe, peripheral reporting centers, and the Department. The

fundamental function of peripheral reporting centers should be to submit raw material data rather than to interpret such information.

4. Administrative officers are performing an extremely valuable service at the East European posts. Further conferences of administrative officers, such as the one held at The Hague last autumn, would be helpful.

5. It is viewed as of utmost importance for Department to press for arrangements, with respect to East European countries with which US has surplus property agreements, to permit procurement from surplus property funds of local currency at realistic rates of exchange for missions expenses.

6. Standardization on one make auto at each post would be desirable.

7. A disbursing officer and a radio operator assigned to the areas as roving replacements for personnel absent on leave or ill would contribute to more effective operation.

8. For morale reasons, Department should explore possibility of bringing its personnel out of curtain countries on temporary duty in West Europe at periodic intervals.

[PERKINS]

---

## No. 611

Under Secretary's Meetings, lot 53D250, Minutes

*Record of the Under Secretary's Meeting, February 2, 1951* [1]

SECRET [WASHINGTON, undated.]

UM M-301

[Here follows discussion of certain banking problems.]

*Radio Free Europe*

3. Mr. Barrett reported [2] that the Committee for Free Europe started some time ago with informal assistance from the Depart-

---

[1] The principal officers of the Department of State, or their alternates, met regularly, often several times a week, under the chairmanship of the Under Secretary of State, to consider important foreign policy problems. The following officers were present for this meeting: Webb, Howe (R), Barrett (P), Lewis (GER), Fisher (L), Hickerson (UNA), Scott (A), Jessup (S/A), Matthews (G), McFall (H), McGhee (NEA), Mann (ARA), Nitze (S/P), Bonbright (EUR), Thorp (E), and McWilliams (S/S). This record was presumably prepared by Sohm (S/S–S) who was also present for the meeting.

[2] Barrett's report presumably followed the lines of his memorandum of January 24; see the attachment to Document 605.

ment. During the past few months it has not been too effective. However, General Smith has persuaded Mr. C.D. Jackson, Editor of *Fortune*, to head the Committee, and it is now hoped that some progress will be made.

4. Radio Free Europe has only one small operating transmitter and this is located in Germany. It is expected that this transmitter will be enlarged in April and gradually most of the operations will be shifted to Europe. Mr. Barrett emphasized that it is important for the public impression to be preserved that Radio Free Europe, as well as the Committee, is independent. They operate with considerable leeway but we attempt to give them some guidance. Mr. Barrett urged that the Assistant Secretaries and their subordinates cooperate with the staff of the Committee for Free Europe. He pointed out that many things could be said by Radio Free Europe which we could not say since they do not openly reflect government policy.

*Programming of Voice of America in Europe*

5. Mr. Barrett reported that a survey mission, headed by Mr. Shouse, President of Crosley Radio Corporation, recently completed its work in surveying the facilities in Germany, Greece, and Austria. They strongly recommend that some of our broadcasts emanate from Munich to the satellites. They also recommend that Salonika be used later. This system of programming part of the Voice activities in Europe itself would have the obvious advantage of a clearer signal and being closer to the target area. With this new operation in Europe, obviously we must have some control here in Washington and it is planned that this could be accomplished through a direct teletype tieline to our European stations. This would also permit us to utilize defectors who cannot be brought to this country.

*Internationalization of Information Activities*

6. Mr. Barrett pointed out that we are attempting to internationalize some of our information activities. Some utilization has been made of local labor groups and others in the distribution and handling of information materials. Mr. Barrett felt that we should do a great deal more in this direction.

## No. 612

Secretary's Daily Meetings, lot 58D609

*Memorandum of Conversation, by the Chief of the Policy Reports Staff, Executive Secretariat (Barnes)*

[Extract]

SECRET [WASHINGTON,] February 15, 1951.

Subject: Summary of Meeting With the Secretary [1]

Participants:

| | |
|---|---|
| Mr. Acheson | Mr. Cabot |
| Mr. Webb | Mr. Humelsine |
| Mr. Matthews | Mr. Armstrong |
| Mr. Nitze | Mr. Reinhardt |
| Mr. Harriman | Mr. Battle |

Mr. Barnes

. . . . . .

Item 3. *Eastern European Missions*

The Secretary indicated his concern over the position of our Eastern European Missions in the light of reports such as the recent one from Ambassador Briggs that local employees might be subject to arrest or intimidation. [2] He wanted to be sure that we were keeping our missions at the lowest possible personnel level to minimize this risk.

Mr. Reinhardt indicated that this was largely true in Czechoslovakia and Rumania, where the governments have forced us to reduce our missions, but was not true in Hungary and Poland.

It was agreed that EE would continue to study this problem on an urgent basis.

. . . . . .

R. G. BARNES

---

[1] This is the record of the Secretary of State's daily meeting with top Department of State officers.

[2] See telegram 321 to Praha, Document 662.

## No. 613

INR files, NIE Series

*National Intelligence Estimate* [1]

SECRET
NIE–22

[WASHINGTON,] February 19, 1951.

### VULNERABILITY OF THE SOVIET BLOC TO ECONOMIC WARFARE

#### PROBLEM

To estimate the vulnerability of the Soviet bloc to economic warfare.

#### FOREWORD

The term "economic warfare" as applied in this paper covers the offensive use in peacetime of measures to diminish or neutralize the war potential of the Soviet bloc. *

The extent to which in the event of war the resources of conquered territories could be effectively utilized and the extent to which they would represent a net gain to the bloc is a problem beyond the scope of this paper. The absence of military operations is assumed as a part of the terms of reference.

Since China is engaged in military operations against United Nations forces in Korea, it is necessary to assess the effect of economic warfare upon China under the existing circumstances.

---

[1] National Intelligence Estimates (NIEs) were interdepartmental papers designed to focus all available intelligence resources upon problems determined by interdepartmental agreement to be of importance to the national security. All major components of the intelligence community participated in submitting contributions within their cognizance to the Office of National Estimates (ONE) of the Central Intelligence Agency. Thus the Department of State usually contributed to the political and economic sections papers drafted by the Office of the Special Assistant for Intelligence (R) and by the appropriate geographic and/or functional bureaus. Coordination of the NIEs, including the preparation of a draft from the internal and external contributions, review, revision, community coordination (including definition of disagreements), and publication were the responsibility of the ONE. After concurrence by the Intelligence Advisory Board, the finished estimate was signed by the Director of Central Intelligence and circulated to the President, the NSC, and other appropriate agencies of the government.

According to the source text, this estimate was based on information available on February 15.

* The Soviet bloc is defined as: the USSR, China, Albania, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland, and Rumania. The vulnerability of Korea, Outer Mongolia, and certain Communist-controlled areas in Southeast Asia is not considered because of the relative insignificance of the economies in these areas; however, it is assumed that economic warfare measures will also apply against these regions. [Footnote in the source text.]

The measures considered available to the Western Powers to deny exports to the Soviet bloc include the following: export and import licensing, trade manipulation, preclusive buying, black listing, foreign funds control, and the denial to the Soviet bloc of access to non-Soviet maritime and air facilities. The effects of blockade and of the use of the navicert and ship warrant systems are not considered in this paper under the term economic warfare since these measures are usually not employed except in a state of war.

## GENERAL CONCLUSIONS

*Military Capabilities.*

1. A program † of economic warfare directed against the Soviet bloc, which encompassed selected commodities and services [2] and which received a high degree of cooperation from the Western Powers would, if well coordinated and well enforced, seriously retard and limit the development of the Soviet bloc war potential. Although, because of the advanced state of Soviet preparedness for war, such a program would not significantly affect the present capability of the USSR to wage initial campaigns, it would, nevertheless, seriously affect the capability of the USSR to conduct a general war of long duration and might correspondingly influence a decision concerning such a venture.

*Conduct of Foreign Policy.*

2. The total effects of a program of economic warfare are not likely to force a basic change in the aggressive foreign policy of the USSR.

*Economic and Political Stability.*

3. The effect of a program of economic warfare on the economic and political stability of the USSR and its Satellites and upon relations between the USSR and its Satellites would not be decisive, though such a program would intensify popular discontent, particularly in the Satellite states and would aggravate problems of commodity distribution throughout the bloc. Soviet authority, however, would doubtless be effective in dealing with conflicting claims

† No attempt is made to assess the general effectiveness of the control measures that are already in effect, or to suggest wherein they are adequate or need to be supplemented. It should be noted, however, that direct US shipments to the Soviet bloc have already been reduced to relatively insignificant proportions through our export control policies. [Footnote in the source text.]

[2] The selected commodities and services included particularly petroleum, copper, lead, zinc, nickel, bronze, brass, high-grade iron ore, sulphur, and industrial diamonds. Among finished goods the following were particularly noted: tires, railroad rails, precision instruments, bearings, all transportation equipment, machine tools, and electronic and electric power equipment.

among the Satellites for scarce commodities. In view of the repressive power of the Soviet bloc security organizations, the political stability of the various regimes would not be seriously jeopardized unless and until other disruptive pressures were brought to bear, in which case the cumulative effect would be serious.

*Economic Development.*

4. A program of economic warfare would add to the internal economic problems of the USSR and its Satellites and would make it virtually impossible to carry out the planned balanced development of their economies. Such prospects as they now have for narrowing the present great gap between their combined productive capacities and those of the West would be decidedly reduced.

*Ability to Reduce the Effects of Controls.*

5. To achieve worthwhile results a high degree of cooperation among the Western Powers is essential; ‡ otherwise the Soviet bloc could reduce the effect of an economic warfare program: a) by purchases from Western nations unwilling to engage in parallel action on the economic warfare program; and b) by the employment of covert trade channels to circumvent controls. In any case, the Soviet bloc would attempt to reduce the effects by adjustments within the economy, including reallocation of resources, the use of synthetics and substitutes, and the temporary utilization of stockpiles. There would, however, be a definite limitation on their ability to reduce the effect of controls through such internal adjustments.

*Chinese Military Capabilities.*

6. The effect of a program of economic warfare against China requires special consideration since China is actually engaged in military operations of major importance. The effect of economic warfare alone would not be a decisive factor in limiting Chinese military capabilities. Combined with the present drain caused by the Korean war, however, economic warfare would substantially reduce Chinese military capabilities (though not to the extent of critically disrupting current tactical operations) and might ultimately affect the Korean war itself. Unless the Soviet Union were engaged in supplying major campaigns elsewhere, it would have the capability, despite certain stringencies in its economy, of supplying China's essential military requirements, but it is uncertain how much the flow of Soviet supplies to China could be stepped up

‡ Although it is not actually within the terms of reference of this estimate, it should be noted that effective measures for economic warfare against the Soviet bloc would involve substantial cost. This cost would probably include, *inter alia*, loss of the imports of Western Europe from the Soviet bloc which are of significance to their economies, and would require a redirection of trade. This estimate makes no attempt, however, to balance off the costs of economic warfare against its advantages. [Footnote in the source text.]

without creating critical transportation difficulties. The effect of these difficulties together with the drain caused by the Korean war might, conditioned upon the degree of resistance, exert a restraining influence upon Chinese plans for further expansion in Southeast Asia or might significantly hamper the execution of such plans if they were put into operation.

*Chinese Economy.*

7. The industrial centers of China which are largely the product of Western capitalism are peculiarly dependent upon the West for raw materials, for supplies, and for industrial spare parts, and, indeed, even for the maintenance of some of the barest essentials of an industrial type of society. A program of economic warfare, by depriving these centers of their imports, would consequently have a serious effect on their economy and would increase the problems of internal control there. In addition, a well enforced program of economic warfare would make Communist China more dependent on the very limited Chinese rail facilities connecting with the USSR. Such a program would have increasingly serious effects. It would hamper current industrial production, retard industrial development and might seriously limit China's ability to sustain large-scale military operations. If continued for a long enough time, it might even threaten the internal stability of the regime.

[Here follows the detailed "Discussion" section of the estimate, comprising nearly six double-columned pages in the nine-page report.]

---

## No. 614

669.001/2-2351

*Memorandum of Conversations, by the Deputy Assistant Secretary of State for European Affairs (Bonbright)*

SECRET [WASHINGTON,] February 23, 1951.

Subject: Violations of the Satellite Peace Treaties.

Participants: (1) Mr. C.E. Steel, Minister, British Embassy
Mr. James C. H. Bonbright, Deputy Assistant Secretary, EUR
(2) Mr. Gontran de Juniac, Counselor, French Embassy
Mr. James C. H. Bonbright, Deputy Assistant Secretary, EUR

I called in Mr. Steel of the British Embassy and Mr. de Juniac of the French Embassy separately this afternoon and handed them

copies of the attached Memorandum suggesting a course of action in connection with violations of the satellite peace treaties. [1]

I explained that the reason back of this proposal was the thought that we might want to talk about the violations of the peace treaties at the proposed meeting of the Four Foreign Ministers. [2] If we did so, we felt that the Soviet representative might reply that machinery already exists for handling this type of question and that we had not used it. Our proposal would provide a counter for rejecting this type of Soviet argument if we need it.

I also explained, particularly to Mr. de Juniac, that since France was not a signatory to the satellite peace treaties his Government was not directly concerned in the proposed action but that we none the less wished to consult with them closely and get their views because of our tripartite cooperation in preparation for talks with the Russians.

Both Mr. Steel and Mr. de Juniac indicated that they would transmit the memo at once to their governments. Neither of them had any off-hand objection to raise to the proposed action.

Finally, I urged them to move as rapidly as possible since it would be desirable to send the note to the Bulgarian, Hungarian and Rumanian governments prior to the proposed preliminary talks with the Soviets in Paris on March 5.

---

[1] For previous documentation on U.S. efforts to achieve fulfillment of the articles of the treaties of peace with Bulgaria, Hungary, and Romania, see *Foreign Relations*, 1950, vol. IV, pp. 1 ff. For the memorandum under reference, see *infra*.

[2] The possible convening of a session of the Council of Foreign Ministers was the subject of the Four-Power Exploratory Talks in Paris (Conference of the Palais Rose), March–June 1951. On March 28, the U.S., British, and French representatives at these talks proposed that any conference of the Foreign Ministers examine the question of the peace treaties with Bulgaria, Hungary, and Romania including the provisions on human rights and the military clauses. For documentation, see vol. III, Part 1, pp. 1086 ff.

---

## No. 615

669.001/2-2351

*The Department of State to the British Embassy* [1]

MEMORANDUM

In view of the mounting evidence that the Bulgarian, Hungarian and Rumanian Governments are rearming in violation of the mili-

---

[1] Drafted by Marcy and Campbell (EUR/EE) and cleared in draft by L/EUR and WE. Regarding delivery of this memorandum, see Bonbright's memorandum of conversations, *supra*.

tary clauses of their respective Peace Treaties, the Department believes it would be advisable for the United Kingdom and United States Governments formally to charge the three Governments with violation of these clauses.

To do so would appear to be the proper next step in the enforcement procedures established by the Peace Treaties, and would be consistent with our policy of endeavoring to enforce the Treaties or expose the Governments concerned in their disregard of their Treaty obligations.

If notes formally charging the three satellite Governments with violation of the treaty limitations elicit the expected denial, and the Governments concerned refuse to consider the matter further, the subject would then be appropriate for discussion with the Soviet Union, either specifically as the next step in the disputes procedures provided by the Treaties, or generally as a matter requiring the attention of the major powers.

The Department is, accordingly, considering addressing notes to the Hungarian and Rumanian Governments. These would first describe efforts by the United States Government to acquire through formal channels information on their compliance with the military clauses of the Peace Treaties. The notes would mention the finding of the United States Government, publicly announced on March 16, 1949, [2] that these Governments were then actually violating the military clauses. Stating that continued violation contributes materially to tension in the Balkans, the notes would then: (1) again draw the attention of the Governments concerned to their solemn obligations, which were included in the Peace Treaties to serve the interests of peace and security, and especially the security of the Allied and Associated Powers signatory to the respective Treaties; (2) mention that increasing evidence confirms the conclusion that treaty restrictions have not been, and are not being, observed; (3) call upon the two Governments to take the necessary measures to comply with the Treaties, and to provide all pertinent data and permit the necessary verification; (4) request the Rumanian and Hungarian Governments to inform the United States Government of the measures taken, and to endeavor to settle any disagreement through diplomatic negotiations. The notes could also point out that, following the 18 month period in which the three major Allies

[2] The reference here is to the statement issued to the press on March 16, 1949, by the Department of State denouncing the violation or nonperformance by the Bulgarian, Hungarian, and Romanian Governments of their obligations under the treaties of peace. For the text of the statement, see Department of State *Bulletin*, March 27, 1949, p. 391. For documentation on the events leading up to this announcement, see *Foreign Relations*, 1949, vol. v, pp. 223 ff.

had a special position in reference to the execution of the Treaties, any signatory clearly has the right to raise the issue of compliance.

The Department contemplates that the Soviet Union and the other signatories of the Treaties of Peace might be furnished copies of the several notes.

The Department would welcome the views of the British Government as to the desirability of raising the issue of violation of the military clauses directly with the satellite Governments at this time, and as to the procedure suggested. If the British Government is in agreement, is it prepared to deliver parallel notes to the Bulgarian, Hungarian and Rumanian Governments? In this event, as the United States Government is not in a position to deliver a note directly to the Bulgarian Government, the Department would be appreciative if the Foreign Office would include a statement in its note to the Bulgarian Government to the effect that the United States Government associates itself with the charges and requests made by His Majesty's Government. [3]

A copy of this memorandum is also being given to representatives of the Embassy of France in Washington, with the request that the French Government express its views on the proposed course of action.

WASHINGTON, February 23, 1951.

---

[3] On March 8 the British Embassy informed the Department of State that the Foreign Office was opposed to the American proposal to send formal notes to the Bulgarian, Hungarian, and Romanian Governments about the violations of the treaties of peace. The British argued that the suggested approach would not strengthen the case of the West in the Four-Power Exploratory Talks in Paris. The British believed it would be preferable to treat Balkan rearmament as a source of international tension in the wider context of the high level of armaments in the Soviet bloc as a whole, raising the question of peace treaty violations incidentally. The British were informed that the Department of State was not impressed with their argument that the proposed approach would "disclose our hand to the Soviets" because the main point of the maneuver was to prevent the Soviet Union from turning aside charges of violations of the peace treaties by claiming that the West had not used existing machinery to deal with the question. (Memorandum of conversation by Bonbright, March 8, 396.1-PA/3-851)

## No. 616

611.4094/3-251: Circular airgram

*The Acting Secretary of State to Certain Diplomatic and Consular Offices* [1]

SECRET WASHINGTON, March 2, 1951—8:45 a.m.

CIVIL AVIATION POLICY VIS-À-VIS USSR AND SATELLITES

Reference is made to the Department's circular instruction, above subject, dated January 5, 1949, [2] and to the Department's telegram 104, January 10, 1950, [3] as well as to other correspondence concerning the aforementioned policy.

Since the approval of NSC 15/3, [4] referred to in the above mentioned telegram of January 10, 1950, the Department has been engaged in conversations with the British Government with a view to arriving at an understanding between the United States and the British Government concerning the revision expressed in NSC 15/3. These discussions have been concluded upon a satisfactory basis.

As the result thereof, the British Government is instructing its diplomatic representatives in accordance with a draft instruction, a copy of which is attached as Enclosure "A". [5] As indicated therein, you may expect shortly to be approached by your British colleague concerning the desirability of making a fresh approach to the government to which you are accredited concerning this revised policy.

It will be recalled that NSC 15/3 in no way alters the policy expressed in NSC 15/1 [6] that the export, directly or indirectly, of aircraft, aircraft spare parts and kindred aviation equipment to the Soviet orbit is to be prevented.

With respect to civil aviation operations, it will be recalled that NSC 15/1 expressed the concept that in no case was it desirable for airlines of the Soviet orbit to operate into Western Europe. NSC 15/3 states that if, on balance, the over-all interests of the non-Communist areas of the world would be served by permitting Com-

---

[1] Drafted by Wolf (EUR/RA) and cleared by BNA, WE, EE, and AV. Sent to 13 diplomatic missions in Western Europe for action and repeated to 7 missions in Germany, Austria, and Eastern Europe and to 5 Embassies in the British Commonwealth countries.

[2] *Foreign Relations*, 1949, vol. v, p. 184.

[3] Not printed, but see footnote 2, *ibid.*, 1950, vol. iv, p. 1.

[4] For text of NSC 15/3, January 5, 1950, "U.S. Civil Aviation Policy Toward the USSR and Its Satellites," see *ibid.*

[5] Not printed.

[6] For text of NSC 15/1, July 12, 1948, "U.S. Civil Aviation Policy Toward the USSR and Its Satellites," see *Foreign Relations*, 1948, vol. iv, p. 451.

munist civil air operations to the Western states, such operations would, under the conditions specified, be acceptable.

The revised recommendations of NSC 15/3 on that score are quoted for your information:

[Here follow numbered paragraphs 12–18 of NSC 15/3.]

It is apparent that the application of the standard of balance of interest expressed in NSC 15/3 must be applied in light of political realities of the moment. The Department has given most careful consideration whether the fullest implementation of the revised policy could best be accomplished by making such an approach at any of the Western European posts concerned. In this respect, consideration has been given to the attitude in the past of the various foreign governments toward the implementation of the policy as expressed in NSC 15/1, and toward the apparent need, in view of the present condition of world politics, for further containment of Soviet and satellite airlines and for more rigid enforcement of export controls. The Department fears that any indication whatsoever of a changed policy would at this time probably be erroneously construed by the governments of Western Europe to be a relaxation of our policy. As the United States Government knows of no pending case which on balance, in accordance with the terms of the revised policy, should be considered appropriate for permitting Soviet or satellite airlines to operate to or through Western Europe, it has been concluded that there is no immediate urgency for presenting the revision of policy expressed in NSC 15/3 to the other governments of Western Europe.

It is therefore desired that in discussing this matter with your British colleague you should express the view that it would be in the mutual interest of the United States and the United Kingdom not to make, either jointly or separately, further approaches to the governments of Western Europe at this time. Should you discover cases arising in the future which should be given further consideration in light of the revised policy, such cases should be reported by you to the Department for its consideration. On the other hand, if there are reasons which lead you to believe that, notwithstanding the foregoing considerations, an approach should be made to the government to which you are accredited, you should so advise the Department and await further instruction before discussing the matter with your British colleague.

As was the case in the implementation of NSC 15/1, it is contemplated that the United Kingdom alone will approach members of the British Commonwealth. [7]

WEBB

---

[7] Largely identical instructions were transmitted to diplomatic offices in the American Republics in a circular airgram of March 7, 8:30 a.m. and to 16 Middle Eastern, African, and South Asian missions in a circular airgram of March 21, 11:10 a.m. These circular airgrams differed from the one printed here only in the concluding special instructions. The circular airgram of March 7 concluded as follows:

"As the United States Government knows of no pending case which on balance, in accordance with the terms of the revised policy, should be considered appropriate for permitting Soviet or satellite airlines to operate to or through Latin America, it has been concluded that it is not desirable to approach at this time any Latin American Government.

"It is therefore desired that in discussing this matter with your British colleague you should express the view that it would be in the mutual interest of the United States and the United Kingdom not to make, either jointly or separately, approaches to the Governments of Latin America at this time. It is important, however, to keep a constant watch over possible Soviet or satellite attempts seeking operational rights in Latin America; such cases should be promptly reported by you to the Department for its consideration in the light of the revised policy. Special attention should be given to the possible export or transshipment of aircraft spare parts and associated aviation equipment to Iron Curtain destinations. On the other hand, if there are reasons which lead you to believe that, notwithstanding the foregoing considerations, an approach should be made to the Government to which you are accredited, you should so advise the Department and await further instruction before discussing the matter with your British colleague." (611.4094/3-751)

The circular airgram of March 21 concluded as follows:

"The Department is not aware of any new factors which might serve to modify the position set forth in numbered paragraph 14 of NSC 15/3, above. New approaches by either the United Kingdom or the United States to the governments to which you are accredited do not, therefore, appear to be necessary or desirable at this time. If there are reasons which lead you to believe that, notwithstanding the foregoing considerations, an approach should be made, now or at some future time, to the government to which you are accredited, you should so advise the Department and await further instruction before discussing the matter with your British colleague." (611.4094/3-2151)

## No. 617

740.5/2-2051: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET WASHINGTON, March 2, 1951—5 p.m.

4000. For Achilles from Barnard (Re Depto 536 Feb 20 [2]).

I. Fol characteristics common to Hung, Rum and Bulg: (1) Sov oriented Commie control now virtually complete with (a) no likelihood of effective Titoist defection; (b) increased reliability armed forces through Sov control key positions. (2) Rapid and apparently urgent buildup of regular armed forces on Sov Army pattern; Rum (205,500 as opposed 138,000 Peace Treaty limit); Bulg (188,500 as opposed 65,500 limit); Hung (70,000, PT limit, but still rising). Bulg rated strongest viewpoint morale, training, and amount Sov equipment, especially tanks. All, however, wld march against Tito if ordered. (3) In addition, all countries have paramilitary forces (prohibited by PT) whose strength is in excess of regular armed forces. (4) Socialist economies strained owing to stepped up Sov pressure and overambitious planning. Nonetheless some progress made towards industrialization at cost in living standards. Gen trend more rationing consumer goods. Collectivization still early stages but being pushed against passive peasant resistance. (5) Morale: anticommunism continues but unorganized and powerless. Organized religion largely neutralized. Capture of youth by Communism slow but perceptible.

Dissimilarities: Fact that Hung and Rum are non-Slav, and Hung a non-orthodox state creates potential problems for Sov integrators. Rum subj most intense form economic exploitation through joint Sov-Rum companies and probably most Sovietized of all satellites. Bulg, with three unfriendly borders, more exposed but since Kostov trial Kremlin agents in strong position, and in fact Bulg appears to

---

[1] Jointly drafted by Barnard of EUR and by Campbell, Recknagel, McKisson, Nickels, and Marcy of EUR/EE; cleared by WE, RA, GTI, and DRS; and approved for transmission by Bonbright. Copies were sent to Belgrade, Bucharest, Budapest, and Moscow.

[2] In telegram Depto 536, Ambassador Spofford reported that the North Atlantic Council Deputies had tentatively agreed on a future exchange of views on the political situation in Eastern Europe. Spofford hoped that such a discussion would afford a common background or appreciation by NATO countries of the situation "behind the Iron Curtain" and the nature and magnitude of the threat posed to the West. He requested information and material to allow his participation in the discussion. (740.5/2-2051) In addition to the telegram printed here, the Department replied to Spofford's request with a policy statement on Czechoslovakia (A-1767 to London, Document 669), and a policy statement on Poland (A-1615 to London, Document 746).

have been chosen for leading role in war of nerves against West. Also emphasis on Bulg industrialization may have been relaxed in favor agri development.

Alb conforms to pattern except as fols: geographic isolation from orbit; loyalty to Kremlin insured only by self interest Alb Commies. Reports certain Alb Commies may have inclination lead Alb party out of Kremlin camp not substantiated. Alb army 60,000 (including security forces) is poorest equipped, but is threat to Tito's rear. Economically Alb is liability rather than asset to orbit.

On question war in spring, IAC intelligence estimate of Mar 1 is: despite continuing expansion satellite armed forces, there is no evidence of troop movements or other preparations which wld indicate an imminent attack on Yugo or Greece.

II. US policy toward Bulg, Hung, Rum and Alb may be stated as fols:

1. To encourage eventual replacement Sov dominated Commie regimes by independent democratic govts under which peoples those countries may develop free institutions and enjoy human rights and fundamental freedoms.

2. To encourage such resistance by these peoples to Sov-dominated Commie regimes and Sov ideology as US and other democratic countries can effectively support.

3. To counteract and attack through appropriate info media Sov Communism in all its manifestations: on one hand, by exposing its false and distorted propaganda, its failures, weaknesses, aggressions, and negative character; and on other hand by clarifying principles, methods, institutions, and aims of democracy in terms both traditions and contemporary events and developments.

4. To sustain morale of non-Commie majority in these countries by demonstrating wherever possible continuing US concern for welfare peoples, understanding their problems, and creating confidence in Western ability and intention actively to oppose Sov expansion.

5. To give such support to democratic exiles from these countries and to their orgs as may be judged feasible and proper from time to time in light overall state US-Sov relations and US–satellite relations specifically; to make every effort this connection to preserve this human resource of potential leadership against day of liberation.

6. To endeavor to deter and thwart any suspected plans for aggression by these govts against Yugo or neighboring non-Commie states and to extend assistance in varying form and degree to such states to enable them resist threats or acts of aggression.

7. To exert constant pressure on Bulg, Hung, Rum and Alb Govts by all effective means available, including continued opposition UN membership of these govts and maintenance of strict controls on export strategic materials these countries; in case of Bulg, Hung and Rum, to exploit fully violations of Peace Treaty provisions re human rights and limitation of armaments by such means as publicity, treaty enforcement procedures, and UN; to apply reciprocity

wherever possible in treatment of Hung and Rum dipl personnel in US and to continue indefinite suspension of dipl relations with Bulg; to continue withhold recognition from Hoxha regime in Alb and to make every effort render increasingly effective geographic isolation of Alb from other Sov-dominated states in Eastern Eur.

III. Development common policy NATO countries obviously dependent on fullest exchange and discussion info re common problems and developments affecting their interests in Bulg, Hung, Rum and Alb. We are particularly interested in such issues as:

(1) Maintenance dipl relations and reprisals for measures against diplomats.
(2) Propaganda.
(3) Control of strategic exports and keeping open possibilities for special controls in certain cases.

[Barnard]
WEBB

---

## No. 618

Under Secretary's Meetings, lot 53D250, Documents

*Paper Prepared in the Department of State* [1]

SECRET [WASHINGTON,] 9 March 1951.

EMERGENCY PLAN FOR PSYCHOLOGICAL OFFENSIVE (USSR)

Attached are the basic papers for a planned psychological offensive against the Soviet regime which have been prepared by an *Ad Hoc* Working Group formed by the Assistant Secretary of State for Public Affairs as Director of IFIO. This plan is founded on two assumptions:

1. That the reluctance of the peoples of the USSR to suffer another war is a deterrent on the aggressive ambitions of the Bolshevik dictatorship.
2. That it is within the capabilities of the United States at the present time, and in spite of severe limitations on means of approach to these peoples, to increase the force of this deterrent.

The plan is within the framework of existing U.S. policy vis-à-vis the USSR. Without waiting for possible future changes in policy,

---

[1] The source text does not bear the names of drafting officers but does indicate that this paper was cleared by the following bureaus and offices of the Department of State: P, S/P, EUR, G, PRS, P/POL, and EE. This paper was circulated at the Under Secretary's meeting as document UM D-138, March 23; see the record of the Under Secretary's meeting, Document 620.

the intention in this plan is to extract the maximum benefit from the existing situation.

The plan is intended to sharpen and systematize the entire psychological approach to the USSR. Planning has been done in close consultation with the Voice of America, the principal agency capable of putting it into overt execution.

It is intended that henceforth the Voice of America shall program its output to the USSR generally within the framework of the objectives and tasks set forth herein. Lists of suggested themes are appended to the appropriate tasks. The lists are not exhaustive, and the suggested themes are not designed as text for quotation in output; they are designed only as hints for profitable lines of thought to be followed in output, on the basis of adequate research and in appropriate context.

Occasions will arise when, in its reportorial role, the Voice of America will have to carry program material which does not contribute to the objectives and themes specified in the plans. In such cases these extraneous themes should be subordinated to the main effort. It is understood that this will require a serious revision in the current working procedure of the Voice of America.

Such a plan as this cannot depend on the efforts of the Voice of America alone. Extensive organization of research will be required. In addition, there should be wide distribution within the government of the basic papers in the plan so that this approach to the USSR gets into the stream of official and semi-official public statements and thus facilitates the work of the Voice of America.

[Attachment]

*Paper Prepared in the Department of State* [2]

[Extract]

CONFIDENTIAL [WASHINGTON, March 3, 1951.]

PSYCHOLOGICAL OFFENSIVE VIS-À-VIS THE USSR

OBJECTIVE, TASKS AND THEMES

U.S. psychological approaches to the USSR should be directed, in general, toward the creation of future beneficial relations between

[2] There is no indication on the source text regarding drafting responsibility or clearance of this paper. The paper printed here is composed of several separate sections or papers. Only the first section dealing with "Objective I" is printed. The source text indicates that a first draft was prepared on January 4, and was followed by revisions on January 19, February 2, and March 3.

the two nations. The present situation, however, calls for emergency efforts to stimulate all psychological factors within the USSR which may act as a deterrent upon the aggressive policies of its rulers. For this purpose, therefore, all appropriate psychological pressure shall be exerted to deter further aggression on the part of the Soviet Union by:

I. Emphasizing to Soviet rulers and peoples the reckless nature of Soviet policy and its consequences.
II. Establishing a reservoir of good will between the peoples of the USSR and those of the free world.
III. Widening the schism which exists between the Soviet peoples and their rulers.

Necessarily implicit throughout these objectives, tasks and themes is the suggestion to the Soviet peoples that an alternative to the present regime can exist. It is not the policy of the U.S. to advocate such an alternative. Consequently no such suggestion should be made on any specific issue (collectivization, democratic elections, etc.) without special policy guidance. In all our output however, it should be implicit that the eventual solution lies in a reassertion of the human values which are the heritage of the Russian people, and which Stalinism has repudiated.

*In Support of Objective I:* Emphasizing to Soviet rulers and peoples the reckless nature of Soviet policy and its consequences.

*Tasks 1 and 2.*

1. To establish the vast potential strength of the free world, moral as well as material, in the minds of the people of the USSR.
2. To make clear free world strength is based on the determination and association of free men to defend their homes and way of life against aggressors.

*Suggested Themes:*

(a) The peoples of the free world regard Soviet aggression as an attempt to enslave them and will resist such aggression by force of arms.

(b) The attempts of all tyrants to conquer the world have always failed; future attempts will also inevitably fail.

(c) The free world has spiritual, human and industrial, natural, economic, and technological resources as well as the military potential necessary to defeat any attempt at world conquest and experience and skills in their use.

(d) The tremendous potential of the United States which supplied weapons to all nations, especially the USSR, who fought against aggression in World War II is again being marshaled to prevent further aggression.

(e) The myth that the USSR won World War II without significant military, economic and industrial help from the West should be destroyed.

*Task 3.*

3. To make clear that such strength is not being created for aggression.

*Suggested Themes:*

(a) There were no annexations of territory by the free world as a result of World War II. On the contrary, many nations have won their independence (India, Philippines, etc.) through peaceful development and political negotiations. (Caution: Do not confuse annexation with the trusteeships and temporary occupations which have followed World War II.)

(b) The U.S. has no desire to possess nor control any Russian (or Soviet) lands whatever.

(c) In contrast to the Soviet Union, armies were disbanded in the free world at the end of World War II. The free world has started to rearm only as a result of the repeated demonstrations of hostile intent and aggressive design on the part of the Soviet government.

(d) The free world desires only peaceful and friendly relations with all nations and will go to war only to protect its people, territory, and way of life from aggression.

*Task 4.*

4. To establish the reckless and aggressive nature of Soviet policy and to establish the inevitable disaster for the people of the USSR inherent in their rulers' quest for world domination.

*Suggested Themes:*

(a) Soviet ideology as taught by Stalin calls for an aggressive struggle by the USSR against the so-called bourgeois states using armed force if necessary.

(b) Any quest for world dominion leads to war.

(c) Stalin's speech of 1946 and "The History of CPSU (b)" and Stalin's "Problems of Leninism" all portray a philosophy which permits of no compromise and calls for tne destruction of all other systems of government, even though they may have been created by and are defended by the people governed.

(d) Statements of possibility of peaceful co-existence have been made only for the purpose of deceiving Soviet and other peoples and for tactical advantage as taught by basic communist doctrine. Emphasize that they have never appeared as a basic communist tenet.

(e) The free world recognizes the communist "peace" campaign as a travesty when sponsored by a regime which aids and abets ag-

gression openly. It is intended to exploit the people's desire for peace in the selfish interests of the Stalin clique.

(f) This "peace" campaign is specifically designed to distort the motives of nations resisting communist aggression; it is a device to immobilize the free world's resistance to Soviet aggression, direct or indirect.

. . . . . .

---

## No. 619

740.5/3-1251: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

SECRET LONDON, March 12, 1951—midnight.

Depto 622. Deputies 19th meeting March 12: [2]

1. Italian Deputy summarized increased defense measures. (Separate report to Rome and Department when text available.)

2. Exchanged views on Hungary, Rumania, Bulgaria, and Albania. Canada, Iceland, Luxembourg, Portugal, and Norway stated unrepresented there and no information to contribute.

Belgium stated WU report nearly completed on satellite treatment Western diplomats found strict reciprocity impracticable due greater importance Western missions behind Curtain. France anticipated early purge in Bulgaria on Czechoslovak pattern. UK differed, holding Bulgarian regime duly entrenched since conclusion Kostov trials.

Italy considered geographic isolation Albania and ease with which West could control territory make its use as base for aggression improbable. Expressed view that rebellion against Hodza [*Hoxha*] would be unfortunate since it would give USSR pretext to intervene under Mutual Assistance Treaty provisions. Albania had suffered prolonged economic crisis and opposition to regime was increasing. Russia catered to Albanian nationalism which West could not ignore. Italy being careful give no cause for complaint.

Netherlands believed no chance, successful uprisings and Titoism under too strict surveillance. Thought increasing use Soviet officers indicated lack confidence in satellite troops and that Russia would hesitate to use them except in conjunction with Russian units.

---

[1] Repeated for information to the other NATO capitals and to Frankfurt, Heidelberg for Handy, and Wiesbaden for Norstad.

[2] This was the 19th meeting in 1951 of the North Atlantic Council Deputies.

UK felt peasant resistance strongest, church resistance seriously weakened and economic conditions reasonably good despite reluctant labor and shortages raw materials. Only in Albania was internal opposition serious, despite Russian military mission recently strengthened to 2,000.

US followed Deptel 4000 [3] and suggested WG prepare agreed minute. UK requested minute cover intelligence estimate only rather than policy. US acquiesced since no other Deputy had discussed his country's policy.

[Here follows a description of other items taken up at the meeting.]

SPOFFORD

[3] Document 617.

## No. 620

Under Secretary's Meetings, lot 53D250, Meetings

*Record of the Under Secretary's Meeting, March 28, 1951* [1]

SECRET [WASHINGTON, undated.]

UM M-324

[Here follows discussion of the Korean military situation.]

*Communist Propaganda Activities*

2. Mr. Reinhardt reported that our public front on the Paris meetings is being maintained in respect to the German demilitarization problem. The British and French will make representations to us for a different approach. The Secretary has agreed to have a more neutral wording for the agenda on this subject. Mr. Reinhardt also reported that the Soviet *Literary Gazette* has instituted a series of articles on Americans. The first one selected was Mr. Grady who was labelled the "Hangman of Tehran".

*Emergency Plan for Psychological Offensive (USSR)* (UM D-138) [2]

3. Mr. Barrett introduced the document by naming a number of people who participated in its development. He pointed out that it is designed to make the best possible use of the material which we

[1] Regarding the Under Secretary's meeting, see footnote 1, Document 611. The following officers were present: Chairman Webb, Armstrong (R), Barrett and Phillips (P), Cabot (S/ISA), Dulles (S), Tate (L), Hickerson (UNA), Humelsine (A), Nolting (G), McFall (H), Berry (NEA), Miller (ARA), Nitze (S/P), Pauley (S), Perkins (EUR), Reinhardt (EUR), Johnson (FE), and McWilliams (S/S). This record was presumably prepared by Sohm (S/S-S) who was also present.

[2] See the paper prepared in the Department of State, Document 618.

now have on hand. The VOA has been working on the major themes and we are now attempting to get these themes expressed by others, especially non-American individuals and groups. Mr. Phillips emphasized that this paper was prepared within the framework of existing policy. Basically, there are only two variations to themes that have been carried on by the VOA. First is the treatment of Stalin on which the VOA has been silent until now. Second, we are attempting to build up good-will between the Russian people and others. Mr. Phillips stated that we want to give this paper circulation in the Government and hope to exchange the major portion of it with the British, who could assist us on the planned offensive. Mr. Phillips pointed out that this paper promises an attack on Stalinism, Marxism, etc., and the first prepared scripts along this line appear to be very satisfactory.

4. Mr. Reinhardt agreed that this was the right approach and pointed out that we, in the past, have attempted to approach communists generally on how good America is. The approach outlined in this paper is different and is a good one. Mr. Dulles felt that the approach was an excellent one on the important task at hand. He felt that the offensive approach was a good one and would be more effective than telling the communists about the advantages of the American life. Mr. Nitze suggested that we prepare speeches for Congressmen to make along these lines, which would help us in many respects, including bettering our congressional relations. Mr. Barrett emphasized that we are gradually shifting our whole program from patting ourselves on the back to other lines and getting the assistance of non-American peoples and groups to help in this regard. A follow-up paper is in preparation which will explode Kremlin infallibility and will reveal the blunders of the Kremlin.

*Senate Appropriation Hearings*

5. Mr. Humelsine announced that the Senate Appropriation hearings are tentatively scheduled for April 11.

---

## No. 621

*Editorial Note*

Under cover of a letter of April 2, Italian Foreign Minister Sforza transmitted to Secretary of State Acheson a memorandum proposing the conclusion of a nonaggression pact between the member nations of the North Atlantic Treaty Organization on the one hand and the Soviet Union and the other Communist nations on the other. For the text of the letter and memorandum and related documentation, see Documents 267 ff.

## No. 622

740.5/3-3051: Telegram

*The Secretary of State to the United States Deputy Representative on the North Atlantic Council (Spofford), at London* [1]

SECRET WASHINGTON, April 7, 1951—1 p.m.

Todep 353. For Achilles from Barnard.

1. Pursuant CD Secy's introductory note D-D(51)80 (urtel 692 Mar 30 [2]) soliciting member govt comments on draft agreed minute, you may wish offer fol forthcoming mtg:

(a) Implication second sentence para 2(b) that Sov influence less in Alb than in other three satellites due geographical factor is valid only if by influence actual presence Sov personnel understood. Since Tito–Cominform split, Sov influence has been no less present Alb than in other countries.

(b) Statement para 3(b) that Bulg Govt pressing forward successfully with collectivization farms requires some modification: Determined drive for collectivization 1950, coupled with terroristic measures, created discontent proportions so serious Govt has been forced temporarily curtail collectivization program, in order consolidate present stage at which approx 55% land in collectives.

(c) Last sentence same para implies gen inability reach goals 5 year plan in face increased mil expenditures. According info in Dept original plan appears have been altered to place greater emphasis on agric and related industries, de-emphasizing heavy industry. Intensive effort implement this aspect plan likely succeed despite marked popular resentment. Secondly actual cost 5 year plan so amended is much less, thus decreasing adverse effect increased mil expenditures. Factors of equal importance undermining 5 year plan are: Shortage manpower in face mil demands, and passive but deliberate resistance which seems increase in proportion force exerted by Govt.

(d) Assertion para 3(c) that Rum agric has "so far remained outside socialized sector" does not correspond info available Dept. While collectivization program lagged behind socialization other sectors Rum econ and not so advanced as Bulg collectivization, pressure and tempo substantially increased over past year. Although Rum agric still largely outside socialized sector, is not significantly so as compared other satellites.

---

[1] Drafted by Gannett, McKisson, Nickels, Recknagel, and Marcy of EUR/EE, and cleared by UNP, EUR, and RA. Higgs approved transmission and signed for the Secretary of State.

[2] Telegram 692 reported that other delegations to the NATO Council Deputies wished to have another round of discussions regarding the satellite nations of Eastern Europe on the basis of document D-D(51) 80. Ambassador Spofford asked the Department to expand somewhat on the policy statements contained in telegram 4000 to London, Document 617. (740.5/3-3051)

2. Fol expansion policy analysis given Dept 4000 Mar 2 may be helpful forthcoming discussion pts (a), (b) and (c) page 5 draft minutes:

(a) 1. While YuGovt continues show shyness in asking for mil grant supply assistance at this time it has sought and US is providing economic assistance for *inter alia* specific purpose preserving mil capabilities, i.e., MDAP portion (about $16 million) of food aid and current steps provide raw material assistance (Todep 312 Mar 21). US in conjunction with other countries has relaxed controls over exports Yugo of commercial quantities various strategic items (COCOM Document 268 Feb 6), including FYI exports mil aircraft and parts (Deptel 3963 Feb 28). US (Deptel 3799 Feb 14) as well as Brit (Embtel 4489 Feb 16) and Fr (Belgrade's 84 Feb 26 to London) have indicated (Acheson–Bevan–Baudet statements) concern which wld be felt if satellites attack Yugo; FYI in US view no further warning this nature desirable at this time. [3]

(a) 2. Recognizing desire YuGovt continue its independent position and inadvisability pressing YuGovt too hard too fast to coordinate its efforts with Western defense measures, US intends take appropriate steps help sustain Yugo economy and mil capabilities with view not only placing Yugo and NAT members in best possible position in event hostilities but also discouraging Cominform from resorting to aggression against Yugo, and hopes other NAT countries will do likewise.

(a) 3. While under present circumstances it wld be highly desirable to have in Balkans some form UN observation on broader basis than present UNSCOB activities in Greece, Dept believes inadvisable at this time for USDep engage in specific discussion possible use POC in Yugo as subject now in exploratory stage with Brit and Fr (Dept's A–46 Mar 29 to USUN copy to London [4]) and in view our as yet imprecise knowledge Yugo attitude and absence consultation with Greece and Turkey.

(b) 1. US Govt plans exploit fully as possible formal charges which it, together other treaty signatories, has brought against Bulg, Hung and Rum re violation human rights provisions peace treaties. Although procedures provided by treaties for settlement disputes re interpretation and execution treaty terms have been exhausted, US has assembled and is preparing submit SYG UN pursuant UNGA res Nov 3, 1950 evidence violations in every field human rights and freedoms. [5] This detailed evidence will be submitted such manner as insure maximum propaganda effectiveness and impact. US also proposes publicize this evidence by other appropriate means and express suitable occasions its deep concern over such infringements fundamental rights and freedoms of peoples Bulg, Hung and Rum and their resultant loss natl independence. US will also seek emphasize this connection ultimate responsibility borne by USSR for its support treaty violators and refusal

---

[3] None of the telegrams mentioned in this paragraph is printed.

[4] Not printed.

[5] Regarding the initial presentation to the United Nations of evidence of the sort referred to here, see Document 654.

cooperate other treaty signatories under disputes procedures stipulated by peace treaties. US Govt wld welcome concerted or at least parallel action in response UNGA res Nov 3 by other treaty signatories and interested govts which may have similar evidence re suppression human rights and freedoms. US believes important utilize opportunity provided by this res emphasize to Sov leaders and puppet regimes that free peoples will not accept as permanent situation based on flagrant violations explicit internatl obligations and ruthless suppression elementary rights and liberties entire peoples. Moreover, US Govt will continue press for inclusion issue human rights violations CFM agenda.

(b) 2. Opportunities for effective exploitation mil violations satellite peace treaties so far limited. As result publicity given failure US and UK efforts immediately fol armistice period secure compliance, there has been little question in mind Western public that violations occurring. However, this factor has had little or no apparent effect on rate ex-enemy rearmament, and, in view relative failure invocation treaty procedures re human rights, there has been no apparent gain to be anticipated from fol parallel course re mil clauses. Sov reaction inclusion this issue Paris negots [6] as among factors contributing present tensions indicates possible effectiveness issue, and we intend continue seek means exploit it.

(c) 1. US, together with large majority UN members, has been unable support applications Bulg, Hung, Rum and Alb for membership UN. All these govts have disregarded or violated treaty obligations, suppressed human rights and freedoms, denied competence and jurisdiction UN organs, and flouted UN recommendations and resolutions. Since actual consideration old membership applications has not taken place in UN since Sept 1949, we have not had occasion carry our consideration membership problem as whole beyond stage reached at that time.

(c) 2. FYI, since question these four applications is essentially merely part of much broader problem UN membership involving numerous countries in various areas, we do not at present envisage that it shld be subj policy discussion among deputies. Additional reason is presence non-members UN, notably Italy, in CD. In any case, question does not become active until much later in year. Accordingly suggest no extensive discussion necessary.

[Barnard]
ACHESON

---

[6] The reference here is to the Four-Power Exploratory Talks in Paris, March–June.

## No. 623

760.00/5-151

*Memorandum of Conversation, by Laurence A. Dawson, Refugees and Displaced Persons Staff, Bureau of United Nations Affairs* [1]

RESTRICTED [WASHINGTON,] April 13, 1951.

Subject: Exclusion of former members of the Jewish Bund from immigration to the United States under the Displaced Persons Act, as amended.

Participants: Under Secretary Webb; Mr. Laurence A. Dawson, UNA/R; Mr. William Green, President of the American Federation of Labor; and Mr. Isaiah Minkoff, Executive Director, National Community Relations Advisory Council.

Mr. Green, who had originally requested an appointment with the Secretary, [2] stated that in view of the urgency of foreign affairs problems he fully understood why the Secretary was not available. After commenting that he had learned that anti-communist refugees escaping from behind the Iron Curtain were being considered ineligible for immigration to the United States under the Displaced Persons Act, Mr. Green then outlined his specific problem as follows and in so doing quoted from a letter which he had received from Mr. David Dubinsky, President of the International Ladies Garment Workers Union.

It was learned some time ago by the Jewish Labor Committee that the Displaced Persons Commission has included the Jewish Bund on its list of organizations considered inimical to the United States and whose members are therefore ruled ineligible for immigration under the Displaced Persons Act. The American Federation of Labor (A.F. of L.) regards such a designation of the Bund as completely unjustified. The Bund since its inception more than a half a century ago as a socialist workers organization has consistently opposed all forms of totalitarianism. Specifically, it opposed fascism before and during the war and its opposition to communism brought about its virtual liquidation in Poland not long ago and the execution of two of its leaders by the communists. As everybody knows, he added, the A.F. of L. will not tolerate any form of

---

[1] The source text was transmitted by Dawson to Henry Cox (GPA), Department of State representative on an *ad hoc* Department of State–Immigration Service–Displaced Commission Committee, under cover of brief explanatory memorandum of May 1.

[2] Green originally sought an appointment with Secretary Acheson in late March, but it was not then possible to work out a mutually satisfactory date. (Memorandum by Battle (S), March 27, 711.001/3-2751)

communism within its midst. It is with full confidence that the A. F. of L. can state that former members of the Bund would be valuable additions to our society and in our fight against communism. To emphasize his point Mr. Green stated that David Dubinsky himself was a member of the Bund prior to his immigration to the United States. Both the A. F. of L. and the Jewish Labor Committee regard it as inexplicable that the Commission initially made such a decision and has to date refused to remove the organization from the list, even though the Commission has been specifically requested to do so in the light of the foregoing information. Therefore, since the Department of State is responsible for United States foreign policy, Mr. Green added that he was now placing the matter before the Department confident that appropriate remedial action would be taken.

I stated that the Department was well aware that the Bund had opposed communism and had suffered at the communists' hands, and pointed out that we have considerable data in our files concerning the liquidation of the Bund in Poland in 1949 by the communists, the execution of some of its leaders, and the deportation of others to Siberia. I stated that the Department considers the strong stand which the A. F. and L. has taken against communism as of great importance in the determination of the free world to maintain its freedom, and I also referred to the support which the A. F. of L. had given to displaced persons legislation. I pointed out that the primary responsibility for the implementation of the Displaced Persons Act rested with the Commission, but that the Department, of course, has a legitimate concern in these matters through its visa issuance functions and otherwise. In this regard I stated that the Commission's list of proscribed organizations, which originally contained over 200 organizations, was now being reviewed and revised by an *ad hoc* interdepartmental committee established at the initiative of the Commission consisting of one member each from the Department, the Commission, and the Immigration and Naturalization Service of the Department of Justice. This committee has already removed some 90 organizations from the list. The committee has not yet come to the Bund in its review, but is expected to do so shortly, and the Department will strongly advocate its removal from the list.

Mr. Green and Mr. Minkoff expressed their deep appreciation of the Department's position as stated by me, and the former handed me a list of displaced persons now in Germany whose immigration is allegedly held up under the present proscription. He requested that appropriate action be taken to facilitate their admission to the United States as soon as the Bund is removed from the list. Mr. Minkoff then added that the immigration of certain members of

the organization Mapai was also being held up because that organization had been included on the list. He stated that the Mapai should not be confused with the Mapam. The Mapai, like the Bund, was not a communist organization and, therefore, its former members should not be barred from the United States as having been in a communist-dominated organization.

With respect to Mr. Green's opening statement, Mr. Dawson explained that nearly all refugees currently escaping from behind the Iron Curtain are ineligible under the Displaced Persons Act because of the January 1, 1949 deadline therein (except for 500 cases under Section 2 (d)), by which date a person must have arrived in the specified areas in order to qualify under the Act. Mr. Minkoff was familiar in detail with this whole problem. Turning then to the question of communist-dominated organizations, Mr. Dawson pointed out that that term had been interpreted by the Attorney General, in connection with Section 22 of the Internal Security Act, in a strict manner to include organizations which were essentially non-communist before the communists took them over. Moreover, nominal membership in such organizations had been construed as a bar to immigration to the United States. However, the intent of the Internal Security Act has now been clarified by Public Law 14 to make it plain that persons who were merely nominal members of totalitarian organizations are not *ipso facto* to be barred from the United States. Until the passage of Public Law 14, members of the Bund would undoubtedly have been denied admission to this country under the Internal Security Act, irrespective of the Commission's proscribed list. It is true that the Commission's list was not issued in connection with the Internal Security Act, but rather under Section 13 of the Displaced Persons Act. However, the review and revision of the Commission's own security list to which I had alluded would undoubtedly now be facilitated in the light of the enactment of Public Law 14 (a copy of which Mr. Dawson gave Mr. Minkoff). I emphasized that the Department's position on the whole question of the interpretation of the Internal Security Act was well known, and that we had consistently worked for a broad and common-sense interpretation of that Act.

In departing Mr. Green again expressed his appreciation of the Department's position on his problem. He added that the Department's entire attitude towards the displaced persons problem had always been one of great sympathy and realism and had been completely vindicated by the performance of the displaced persons who have arrived in this country and who have proved themselves to be not only valuable additions to our labor force but strong anti-communists whose presence in this country cannot help but bolster our opposition to communist tyranny.

## No. 624

800.062-WFTU/4-2051: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, April 20, 1951—8 p.m.

2200. Urtel 2388 Apr 19. [2] Circular instrs Jan 29 concerning location WFTU rptd to you intel Jan 30 4 a.m. [3] Pls inform Aust Govt and TU leaders our views stressing that location WFTU in Vienna wld be followed by establishment other Commie organizations in effort to make Aust center for front activities. Dept considers that Aust Govt and Trade Union Federation shld take all possible action prevent this organization from establishing its headquarters in Vienna.

Following expulsion from Fr, US has urged successfully that WFTU be prevented from establishing headquarters in any WE country. Dept assumes Aust Govt and Trade Unions will concur such action necessary to force WFTU to settle behind iron curtain in order to demonstrate Commie control of organization.

CIO Wash informed in Mar to send all publications to WFTU Press and Info Dept care of Winter at Schindgasse 7 Vienna 4. No mention of Coburg Palace in first district as headquarters.

AmEmbassies Paris and London pls bring to attention FonOff with request that Brit and Fr express to Aust Govt their support this position.

ACHESON

---

[1] Drafted by Williamson (EUR/WE) and approved for transmission by Bonbright who also signed for the Secretary. Repeated to London and Paris.

[2] Not printed.

[3] Regarding the instructions under reference here, see the circular airgram. Document 607.

## No. 625

700.001/4-2151: Circular airgram

*The Secretary of State to Diplomatic and Consular Offices* [1]

CONFIDENTIAL [WASHINGTON,] April 21, 1951—8:15 a.m.

WORLD PEACE COUNCIL

Department considers it essential that spurious Soviet peace propaganda, now in high gear, under the imprimatur of the recently established "World Peace Council," [2] and likely to mount for some time, be combatted with imagination and vigor. Accordingly Department currently engaged in preparation of materials for use in serious campaign to counter phony peace propaganda. These will be made available in the form of guidances and backgrounders. The following, for such use as you deem appropriate, is Department thinking re current anti-UN phase of the Soviet-sponsored WPC program:

Sov-commie propaganda has for some time engaged in systematic efforts to undermine confidence in the UN. Simultaneously it has been trying to build up the "World Peace Council" as a possible heir presumptive to the UN. The following events appear significant:

The Warsaw "Peace Congress," November 1950, described the UN as a new Holy Alliance, called for a "return to the true UN Charter" and addressed a communication to the UN to consider the terms of the Warsaw Appeal.

Stalin in his *Pravda* interview of February 15 [3] attacked the UN as unrepresentative, as a failure in its task of achieving peace and as a tool used by the US to bring about World War III. Stalin claimed ten NATO countries and twenty Latin American countries form aggressive core of UN and added that "UNO is taking the inglorious road of the League of Nations. In this way it is burying its moral prestige and dooming itself to disintegration."

The Berlin meeting (February 21–26) of the Soviet sponsored WPC demanded that the UN consider the resolutions of WPC and that it return to the role assigned it by the Charter, namely to serve as an area of agreement between the governments and not as the instrument of any dominant group. WPC

[1] Drafted by Revey (P/POL) and cleared in substance by UNP, UNA, EUR, FE, ARA, NEA, GAI, P/POL, P, and IFI.

[2] The World Peace Council was established by the Communist-dominated Second World Peace Congress held in Warsaw in November 1950. See telegram 1082, November 24, 1950, *Foreign Relations*, 1950, vol. IV, p. 331.

[3] Regarding the Stalin interview under reference, see Documents 765 and 766. *Pravda* is the daily newspaper of the Communist Party of the Soviet Union.

also announced its decision to send a delegation to the UN to present its demands. [4]

Romanian paper *Scanteia*, [5] declared February 23, "Turning UN into instrument of aggression has disappointed people and this disappointment has led to setting up WPC." Other commie journals began refer to WPC as "new world power."

On February 27, Soviet propagandist Oleshchuk stated Moscow in public lecture that the WPC appeal constitued a second warning to the UN to carry out its chief function—preserving peace, and that if warning had no results and the UN continued to serve the cause of US aggression, the peace loving countries would have to leave the UN.

*Pravda* editorial, March 3, echoing Stalin line, asserted: "The UN has the choice either to fulfil the demands of the WPC or share the inglorious fate of the League of Nations and doom itself to disintegration." *Pravda* added: "In making its demands to the UN the WPC is acting as the most representative organ of all nations . . . The demands of the WPC are the demands of hundreds of millions of people of good will of the whole world."

The latest North Korean communication to the UN is apparently based on the WPC resolution re Korea.

While the possibility cannot be disregarded that the present campaign may have the object of preparing Soviet withdrawal, there are no indications that the USSR has reached such a decision. Current Department thinking that USSR would have no compunction about withdrawing from the UN if it should decide that continued membership no longer serves Soviet ends. WPC resolutions and Sov statements indicate, however, that the USSR plans for the present to continue its efforts to make the UN more responsive to Soviet pressure and that the USSR is now using the threat of withdrawal and of the establishment of a rival organization as a means toward this end.

In view proportions and significance this Sov campaign it is important that we counter with appropriate information. Following points should be stressed:

1. WPC is a Soviet controlled group representing no serious body of opinion in free world. It exists only to advance Soviet purposes. Comparison of Soviet policy statements of past year with demands of WPC reveals remarkable identity.

---

[4] The World Peace Council held its first session in East Berlin, February 21-26. Its principal resolution, calling for a five-power peace pact, is quoted and discussed in Document 629. The texts of some of the other Council resolutions appear in Folliot, *Documents on International Affairs, 1951*, pp. 304-306. An evaluative report on the Council session, transmitted in telegram 1095 from Berlin, March 1, is printed in vol. III, Part 2, p. 1997. An analysis of the activities and resolutions of the World Peace Council was made by Assistant Secretary of State Hickerson in a speech entitled "The Phony 'Peace' Offensive" made before a foreign policy group in Milwaukee, Wisconsin on April 27. (Department of State *Bulletin*, May 7, 1951, pp. 731-735)

[5] Daily newspaper of the Romanian Workers' Party (Communist).

2. Analysis of political creeds of 85% of the 225 original members of the council reveals that all are either communists or fellow-travellers. Data on the remaining 15% is unavailable. Members of the Council were selected by 2nd Congress Peace Partisans from lists drawn up by the Bureau and Secretariat on the basis of nominations made by various national delegations. These delegations, for most part, nominally chosen by national "peace" officials and other commie-front organizations but as matter of practice delegates often self-appointed or selected by executive members of organizations or the communist parties. Actual control wielded by the Bureau and Secretariat of Peace Partisans—a staff of 27 persons of whom all but two are either communists or fellow-travellers.

3. The WPC claim to represent public opinion is based on signatures to the "Stockholm Appeal." [6] Those signatures never authenticated. Moreover, overwhelming majority obtained in USSR and the Sov satellite states.

4. Soviet "peace" protestations and the Stockholm Appeal relating to atomic weapons, fell with dull thud last summer when communist forces invaded ROK and world opinion recognized that Stalin could have prevented aggression in Korea had he desired.

5. Had UN failed to oppose communist aggression in Korea UN might have been reduced to status of the League of Nations, following League failure to take effective action in the Corfu, Manchuria and Ethiopian cases. However, the UN did act, supplying an impressive example of the vindication of the rule of law in international affairs. Fifty-three member nations indicated in communications to the SYG of UN that they supported the action of the UN pursuant to the SC resolution. Any subsequent differences among UN members as to conduct of the UN Korean campaign only confirm that the UN is a genuinely democratic organization and is not dominated by any one member.

6. Well known that the USSR has obstructed UN efforts to establish just and enduring peace. Despite Soviet obstruction, UN has important achievements to its credit: withdrawal of Soviet troops from Iran, establishment of independent Indonesia, cease-fire in Palestine and Kashmir, role in maintenance of Greek independence, defense of ROK: this in addition to valuable work done by the specialized agencies in fields of health, agriculture, food, relief, economic progress, education and advancement of non-self-governing people.

7. Fundamental UN political and security decisions of General Assembly were supported by a vast majority including not only the NATO countries and the Latin American Republics, but also the Middle Eastern and Asian states. This is true of such decisions as resolutions on atomic energy, disarmament and Essentials of Peace.

8. USSR failed in its efforts to impose its own will on the United Nations. Soviet threats of withdrawal is a threat that unless majority capitulates to Soviet plans, the Soviets will repudiate their

---

[6] For documentation on the so-called "Stockholm Appeal" or "Stockholm Peace Resolutions" adopted by a Communist-dominated World Peace Conference in Stockholm in March 1950, see *Foreign Relations*, 1950, vol. IV, pp. 276 ff.

Charter obligations. The United States wants the Soviets to stay in the United Nations and is willing to cooperate with them as with any other Member. However, continued membership of any Member, large or small, cannot be bought at a price of a compromise with Charter principles.

9. Exchange of correspondence between UN SYG Trygve Lie and President of Soviet-sponsored WPC Joliot-Curie, reveals that whereas Lie expressed willingness to receive WPC deputation in Paris and notified Joliot-Curie to this effect 10 days in advance of his arrival in Paris, WPC officials declined to keep the appointment. By declining Lie's offer and insisting that its deputation go to New York the WPC has manifested greater interest in obtaining propaganda advantages connected with their appearance at UN headquarters than in peace itself. [7]

10. UN SYG Lie in excellent statement (which merits heavy emphasis) enclosed with his letter to Joliot-Curie (Wireless Bulletin 90) set forth these themes:

a. The UN offers best hope to all people everywhere who are genuinely interested in peace.

b. Those whose actions tend to weaken the UN, to undermine its authority, to sharpen the discords that are inevitably present in a world organization—they are no true friends of peace no matter what they profess to be.

c. Support the UN with understanding and loyalty and you shall have peace.

FYI: Brit FonOff has instructed its missions along similar lines requesting that where appropriate they bring UK views on this matter to attention of other governments and seek to obtain recognition by press and public of the fantastic and impudent nature of the claims advanced on behalf of the WPC. Department suggests you discuss the above with your British colleague and other interested colleagues in your discretion.

Department interested in obtaining detailed reports concerning

a. appeal and impact of Soviet "peace" propaganda on local population and manner of selection of local representatives to the WPC.

b. nature and scope of local efforts to combat fraudulent peace movement.

---

[7] In early March 1951 Joliot-Curie addressed a communication to UN Secretary-General Lie asking Lie to receive a deputation from the World Peace Council. Lie would not receive such a deputation in New York but did propose a meeting with WPC representatives in April in Paris. No meeting took place. Lie subsequently released to the press the statement he had intended to make to the WPC representatives. The Lie statement is printed in Department of State Wireless Bulletin, No. 90, April 14, 1951, pp. 10–11. A long quotation from the Lie statement also appeared in the Hickerson speech cited in footnote 4 above.

On March 15 some U.S. leaders of the so-called "Campaign for Peace" called at the Department of State to present their views and to hear the comments of an official of the Department. An account of the meeting is *ibid.*, No. 66, March 15, 1951, pp. 10–11.

c. suggestions and recommendations re action required to deflate Soviet "peace" campaign, discourage signatures, etc.

Further guidance, particularly re WPC proposal for a 5 Power Peace Pact, will be upcoming shortly. [8]

This airgram is being sent to the Soviet orbit posts for their information only.

Further instructions to missions in the other American Republics follow.

ACHESON

[8] See the circular airgram, Document 629.

## No. 626

800.062-WFTU/4-2451: Telegram

*The Minister in Austria (Dowling) to the Secretary of State* [1]

SECRET PRIORITY VIENNA, April 24, 1951—8 p.m.

2450. Notwithstanding info character of Dept intel Jan 30 [2] Leg at that time approached Aus Gov and TU Fed re possibility WFTU establishing headquarters Vienna after expulsion Paris (Deptel 2208 [*2200*] April 20 [3]). Both promised to observe and inform us any indications but pointed out little could be done under occupation regime if Sovs chose to bring WFTU here.

On April 19 Communist Party official paper *Volksstimme* carried editorial announcing "at invitation Aust workers" and "to honor Austrians" WFTU would establish headquarters in Coburg Palace. This building in first (international) district Vienna, Seilerstaette 3, and is headquarters of Austro-Soviet Friendship Society and Soviet-administered oil products distributors Orop.

Aus Gov and TU's caught unaware. At April 19 opening postal TU convention TU Fed Pres Boehm denied invitation and offered as first assignment for WFTU defense of workers striking against Sov administered Vamag metal working plant just outside Vienna. Aus Gov also issued press statement that they were not consulted and no permission requested. Socialist members of Aus Gov examining legal requirements for possible bars in addition to making Sov sponsorship obvious. Aus TU Fed not especially concerned and wishes avoid publicity.

[1] Repeated to London, Paris for OSR, and Brussels.

[2] Not printed, but see the circular airgram, Document 607.

[3] Document 624.

Dept may wish explore possibility of action by three west HICOMs against such of their natls as come to Vienna to serve with WFTU. In this regard, Dept will note that Secretary WFTU, Louis Saillant, is French natl.

March letter to CIO regarding WFTU press and info Dept was form letter. Correct address was Schwindgasse 7/6. Address is obviously blind since location is apartment house with no tenant named Winter. Aus TU's request above info on WFTU be passed to ICFTU Brussels for all possible action and Dept realizes that for some purposes Vienna is behind Iron Curtain.

DOWLING

---

## No. 627

800.062-WFTU/4-2451: Telegram

*The Secretary of State to the Legation in Austria* [1]

SECRET WASHINGTON, April 26, 1951—7 p.m.

2264. Dept considering nature action which can be taken here (Legtel 2450 April 24 [2]) control travel US citizens who may wish proceed abroad to serve with WFTU. Suggest you coordinate with Brit and Fr colleagues Vienna with view adoption tripartite position concerning measures it may be feasible take secure removal WFTU hdqrs or failing that to block Western participation WFTU activities Austria. Paris and London requested inform FonOffs and seek their views as to further action which may appropriately be taken, having in mind fact that Saillant, Secy WFTU, is Fr national. [3]

ACHESON

---

[1] Drafted by Allen (EUR/WE) and approved for transmission by Williamson (EUR/WE) who also signed for the Secretary.

[2] *Supra.*

[3] The presence of the WFTU headquarters in Vienna was taken up at meetings of the Political Directorate of the Allied Commission for Austria on May 15, of the Executive Committee of the Allied Commission on May 18, and of the Allied Council for Austria on May 25. At those meetings, the U.S. and U.K. representatives, supported by the French representatives, proposed an inquiry into the manner and authorization for the establishment of the WFTU headquarters in Vienna. The Soviet representatives at these meetings were opposed to such an inquiry and insisted that the WFTU, as an international democratic organization, had every reason to be in Vienna. After a long discussion, the Allied Council dropped the matter in disagreement. Despatch 1432 from Vienna, June 26, transmitted a complete account of these meetings. (800.062-WFTU/6-2651)

## No. 628

600.001/4-2751: Telegram

*The Ambassador in Denmark (Anderson) to the Secretary of State* [1]

CONFIDENTIAL PRIORITY COPENHAGEN, April 27, 1951—noon.

910. Embtel 892, Apr 24.[2] We learned today that Danish Govt's permission for Copenhagen mtg of Executive Comite World Peace Council was granted after full Cabinet discussion. Approval is said to have been grounded on fact gathering was to be brief business mtg of small Executive Comite, allegedly without special propaganda purpose.

Referring to previous conversations on Peace Partisans use of Copenhagen as meeting place (Embdesp 752, Feb 16 [3]) Emb officer expressed view to FonOff official that Peace Partisans by obtaining permission for Executive Comite mtg may be seeking opening wedge for establishment permanent headquarters in Copenhagen or for utilization Copenhagen as mtg place larger international Congresses. These considerations will be brought to attention FonMin.

British Ambassador, on instrs of his govt, has discussed with FonMin Danish Govt's decision, pointing out Soviet endeavors build up World Peace Council as possible competitor of UN.

I propose to make further informal representations to FonOff and Danish Govt leaders, particularly to impress how Danish acquiescence gives Communists opportunity profit by use of a western capital, and that it wld be far better if such Communist-inspired mtgs were forced to be held in Moscow or satellite capitals, thus diminishing their capacity to confuse world public opinion. I shall also point out that such acquiescence does not enhance Danish prestige as a whole-hearted member of the western community. [4]

ANDERSON

---

[1] Repeated to Paris, Moscow, London, and Praha.

[2] Telegram 892 reported that the Executive Committee of the World Peace Council was planning to meet in Copenhagen in early May. (600.001/4-2451)

[3] Not printed.

[4] Telegram 605 to Copenhagen, April 30, gave Department of State approval and commendation to the action taken and proposed by Ambassador Anderson. (600.001/4-2751) In telegram 914 from Copenhagen, April 30, Anderson reported on her conversation that day with Danish Foreign Minister Gustav Rasmussen. Rasmussen explained that the cabinet decision to allow the Executive Committee of the World Peace Council to meet in Copenhagen was "based on Danish adherence to general open ideas". The Danish Government had not considered the question from an international standpoint but only in terms of domestic policy. In concluding her report, Ambassador Anderson expressed the hope that the Danish Government

*Continued*

## No. 629

700.001/4-2851: Circular airgram

*The Secretary of State to Diplomatic and Consular Offices* [1]

CONFIDENTIAL WASHINGTON, April 28, 1951—4:05 p.m.

WORLD PEACE COUNCIL No. 2

Major efforts of Commie controlled World Peace Council are devoted to obtaining signatures in all countries for vaguely worded Five Power Peace Pact appeal.

Circular Airgram of April 21, 1951, [2] dealt with WPC organization and implied Soviet threat of blackmail toward UN. Subsequent instructions will deal with other aspects of combatting WPC "peace" campaign.

Department considers it essential that World Peace Pact signature drive be exposed vigorously through the use of all media and other suitable means including, where appropriate, approach to foreign governments.

Peace appeal as adopted by Commie-picked WPC February 1951 in Berlin declares:

"To fulfill the hopes cherished by millions of people throughout the world, whatever may be their views of the causes that have brought about the danger of a world war;

"To strengthen peace and safeguard international security;

"We demand the conclusion of a pact of peace among the Five Great Powers: the United States of America, the Soviet Union, the Chinese People's Republic, Great Britain and France.

"We would consider a refusal to meet to conclude such a pact, by the government of any of the Great Powers, no matter what it might be, as evidence of aggressive design on the part of the government in question.

"We call upon all peace-loving nations to support the demand for this pact of peace, which should be open to all countries.

"We set our names to this appeal and we invite all men and women of good will, all organizations that hope for peace, to add their names in its support."

Pact is designed to appeal to illusion that present world problems can be solved if big five sit down together and cooperate. However, it is apparent from long and patient efforts of US, UK and France

---

would "take more adequate cognizance of basic international and political aspects" in future considerations of such possible meetings. (600.001/4-3051)

[1] Drafted by Bruskin (P/POL) and cleared by UNP, UNA, EUR, FE, ARA, NEA, P/POL, and P.

[2] Document 625.

to negotiate with Soviets in CFM and other bodies, that "cooperation" in Soviet terms means submission to Soviet demands.

Provision of appeal that aggressive intent evidenced by refusal to conclude a pact clearly attempts to create propaganda basis to stigmatize other major powers for declining "peaceful" international settlements on Kremlin terms.

Soviets have never specified in detail what provisions "peace pact" would contain. Vagueness of WPC resolution and its emotional appeal may deceive well meaning uninformed people.

Agitation for signatures now under way on a world-wide basis. Appeal for Peace Pact is combined with regional appeals such as opposition to rearming Japan and Germany, for settlement of Korean war and opposition to commie-defined Colonialism. Peace drive is conceived as grass roots campaign aimed at exploiting: 1—Individual and national fear of rearmament, war and increased taxation; 2—Economic dissatisfaction; 3—Social and political unrest and anti-colonialization; 4—Pacifist and neutrality sentiment; and 5—What Communists call "initiative of churches" on behalf of peace.

WPC drive appears to have short range propaganda purpose of underscoring myth that Kremlin is the power for peace while other great powers are for war, and to prevent or delay anti-communist defenses. Long range purpose is to weaken unity and strength of free world against Soviet aggression, to further Kremlin's dynamic program for achieving world domination and to prepare naive and uninformed masses, now outside of party or front organizations innocently to accept part in revolutionary expansion of Communism.

Five power peace pact proposal is largely similar to earlier USSR proposals in UN General Assembly and confirms Kremlin control of WPC as a propaganda pressure vehicle for USSR ends. Following recent history may clarify Soviet intent:

1—Pact proposal referred to by Stalin in interview with Kingsbury Smith January, 1949 [3] and formally placed on UN General Assembly agenda September 1949. It was overwhelmingly rejected by GA which adopted as counter-measure "Essentials of Peace" resolution which offered a plan of action for real peace. [4] Soviets again introduced proposal in GA September, 1950 and again it was overwhelmingly rejected by GA which adopted as a counter measure the "Peace through Deeds" resolution. [5] Soviets voted against both UN resolutions.

---

[3] For documentation on this interview, see *Foreign Relations*, 1949, vol. v, pp. 561 ff.

[4] For documentation on the preparation of the resolution of the U.N. General Assembly of December 1, 1949, see *ibid.*, vol. II, pp. 72 ff.

[5] For documentation on the resolution of the U.N. General Assembly of November 17, 1950, see *ibid.*, 1950, vol. II, pp. 371 ff.

Sole vague reference to the contents of a peace pact which Soviets were considering was made by Vishinsky November 23, 1949 in GA political committee. Vishinsky declared that the pact was "intended to ensure the peaceful settlement of all differences; to curb the preparations for a new war; to reduce military budgets and lighten the burden of taxation; to eliminate foreign military and air bases; and to bring an end to aggressive blocs such as the one resulting from the North Atlantic Treaty."

2—World Peace Congress in Rome, October 1949, adopted three point appeal to all parliaments which included provision for peace pact within the framework of UN. Expanded version given rubberstamp approval by Eastern European parliaments in February 1950 while Western governments were offered a simpler formula, excluding provision for a peace pact. Periodic references to peace pact made in Soviet and communist propaganda throughout 1950.

3—Warsaw Peace Congress in November, 1950,[6] called on UN to convoke meeting of Big Five to discuss differences. In December 1950, Polish delegates to UN asked SYG to circulate to all members memorandum adopted by Warsaw Congress which called, among others, for a meeting of Big Five. The memorandum contained single-package version of all Communist propaganda themes, including proposal of so-called Stockholm Peace appeal of 1950 which demanded banning of atomic weapons.

4—New World Peace Council, composed of 262 Communist or party line members reverted to peace pact proposal in Berlin, February 1951 and made it the main theme of signature drive.

Vigor and imagination required to combat spurious peace appeal which, if successful, could only lead to a peace of MVD policed slave labor camp. All techniques perfected by Communists in Stockholm Peace Appeal are certain to be used again and new methods attempted. Soviet propaganda now devoting unusually large proportion of time to peace theme.

Following points should be stressed against peace pact appeal:

1—UN Charter constitutes solemn peace pact to which all member countries, including Five Great Powers, have subscribed. All members have assumed obligation to settle their differences peacefully and to refrain from the use or threat of force. If these basic obligations were honored by all members, including Soviet Union, true peace would be insured. Need exists for fulfillment of UN charter and other obligations, which Kremlin attempts to sabotage, rather than new pact of Great Powers.

2—Kremlin has violated existing obligations to such extent that world has lost confidence in its respect for treaties. There is no sense in Soviets assuming new treaty obligations until they have restored confidence of world in their word by honoring existing obligations. Emphasize Soviet violations of war time agreements, UN charter and examples of lack of cooperation such as:

---

[6] Regarding this congress, see telegram 1082, *Foreign Relations*, 1950, vol. IV, p. 331.

a—Enslavement of Eastern European countries by Kremlin controlled Communists.

b—Sealing off, as Soviet reservation, of Eastern Germany and Northern Korea.

c—Fomenting civil strife and aggression against Greece; Berlin blockade.

d—Militarization of East German Police.

e—Soviet stripping of machinery and factories in Manchuria; detachment of large land areas from China.

f—Soviet supported aggression against South Korea.

g—Communist support of communist rebels and bandits in Indochina and Malaya.

h—Threat of force against Yugoslavia and Turkey.

i—Support of re-militarization of Hungary, Bulgaria and Rumania in violation of peace treaties.

j—Soviet maintenance of disproportionately high armaments at a time when Germany and Japan were demilitarized and all other powers rapidly and radically reduced their armaments below level where they could constitute threat to Soviet Union.

k—Persistent Soviet refusal to cooperate in UN majority approved plans for control of atomic energy and regulations of armament.

l—Imperialist extinction of Baltic nations and vast extension of Soviet power by threats and force against smaller states.

m—Refusal to conclude treaty on Austria after five years of negotiations.

n—Conspiracy and constant incitement by Kremlin-instructed communists to overthrow governments and weaken peaceful countries by civil war.

o—Persistent refusal of Soviet Union to cooperate in efforts of UN specialized agencies for social and economic improvement.

p—Use of police terror, slave labor and erection of iron curtain to prevent relations between people of the Soviet bloc and outside world.

3—Big Five pact could mean control of world by great powers without a voice by smaller nations in their own fate.

4—Soviet hopes that peace pact will provide instrument more amenable to their will than United Nations, and that pact will wreck or impair efforts to build up General Assembly and NATO to cope with aggression. Soviet veto in UN Security Council has not proved as effective an instrument for Soviets as they hoped. To meet Soviet obstruction in Security Council, importance of General Assembly increased and NATO developed.

5—Fifth Power in proposed pact, Communist China, already stands condemned by free world through UN as aggressor in Korea and is openly and actively supporting aggression.

6—Machinery exists in Council of Foreign Ministers for settlement of issues appropriate to major power discussions. Efforts to achieve agreement in CFM at six conferences from 1945 to 1949 thwarted by obstructionism of Kremlin which considers agreements only as assent of others for Soviet proposals. However, we are willing to try again as in present Paris talks.

7—Growing strength and determination of free world deters Kremlin from imposing its imperialist will and objectives on world. When Soviets recognize their inability to impose their will on free nations by force, threats or subversion, means and methods will be found for negotiating differences with due regard for legitimate Soviet national interests.

8—Methods for achieving true peace for which free world strives contained in "Essentials of Peace" resolution adopted by 1949 General Assembly by 53 members of UN and opposed only by Soviets and satellites. This resolution reaffirmed urgent necessity for members to act in accordance with UN charter principles; called on all nations to refrain from threatening or using force or fomenting civil strife, to carry out international agreements in good faith, to cooperate with UN bodies, to promote respect for basic human rights, to promote higher living standards, remove obstacles to free exchange of information and ideas, to settle disputes peacefully, to cooperate to attain effective regulation of conventional armaments and international control of atomic energy.

ACHESON

---

## No. 630

S/S-NSC files, lot 63D351, NSC 58 Series

*Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)* [1]

TOP SECRET WASHINGTON, May 22, 1951.

Subject: Third Progress Report on Implementation of NSC 58/2 entitled: "United States Policy Toward the Soviet Satellite States in Eastern Europe" [2]

United States policy toward the Soviet satellites in Eastern Europe was approved by the President on December 13, 1949 as NSC 58/2. It is requested that this "Third Progress Report", as of May 8, 1951, be circulated to the members of the Council for their information.

---

[1] The source text is one of the copies of the memorandum circulated to the National Security Council as a formal NSC Progress Report. A copy of the memorandum as signed by Webb and transmitted to Lay indicates that it was drafted by Marcy of EUR/EE and approved by Cloyce K. Huston and Higgs of EUR/EE and Deputy Assistant Secretary Bonbright. The brief memorandum from Perkins to Webb, May 14, requesting approval of the progress report, was drafted by Marcy and approved by Huston and Higgs and by Walter N. Walmsley of S/A and Deputy Under Secretary Matthews.

[2] Dated December 8, 1949, *Foreign Relations*, 1949, vol. v, p. 42.

*Objectives of NSC 58/2*

The basic long-term United States objective as set forth in NSC 58/2 is to further the development in Eastern Europe of independent, non-totalitarian and non-communist governments willing to accommodate themselves to and participate in the Free World Community. In view of the presence or threat of Soviet military power and the existence in the hands of the local communist authorities of overwhelming police power, it was at the time NSC 58/2 was drafted determined to be impracticable to proceed directly toward this objective. To have done so would have risked involving the United States and the USSR directly in a struggle for prestige, and would probably have provoked strong Soviet reaction at a time and in localities favorable to the display or exercise of overwhelming Soviet power. As a consequence, and in view of the then apparent effectiveness of "Titoism" as an ideological weapon with which to weaken USSR control over the satellite communist regimes, a more immediate and, it was believed, a more readily attainable objective was concluded to be non-Stalinist—even though communist—regimes as temporary administrations until such time as the United States basic objectives were realizable. It was reasoned that limited positive action to this end, as an expedient, would involve less risk of Soviet reaction of the character suggested.

*Progress in Pursuit of Limited Objective Set Forth in NSC 58/2*

In seeking to encourage the emergence of non-Stalinist groups within the several satellites, the United States has in a sense been pursuing a dual objective: to sustain the hope and morale of the democratic majorities and at the same time to take full advantage of actual and potential cleavages among the communist ruling groups in order to weaken the Soviet grip on the satellite governments and make it possible for the latter to be drawn out of the orbit of Soviet domination. While these two facets of our activities are incompatible one with the other unless phased in relation to time, at this stage the tactics serving both have been largely identical. These fall into three main categories: (A) propaganda, (B) economic, and (C) unconventional.

A. *Propaganda*

Efforts by the U.S. International Information and Educational Exchange Program (USIE), mostly on the part of the Voice of America (VOA), toward the objectives of NSC 58/2 have continued with increasing vigor. VOA's audience in the satellites continues large, according to our best estimates, despite an increase in Kremlin-sponsored jamming and other controls over radio listening. Indubitably these VOA efforts have contributed materially to maintaining the popular unwillingness to accept the Sovietization of the satellite nations. Furthermore, the publicity which VOA has been

able to give to the nationalist aspect of Tito's deviation has undoubtedly encouraged "Titoism" among communists in the satellite nations. Moscow's purges of these local administrations is a clear indication of its fear of these developments.

In addition to the above efforts of USIE, there is now in the planning stage a campaign for a further stepped up psychological offensive for application in the satellite nations. This blueprint for operations, which will result in an intensification and refinement of present efforts, will be closely integrated with the recently completed "Plan for a Psychological Offensive (USSR)". This Plan for the satellites will serve not only as guidance for psychological operations in the present emergency, but also as a basis for the development of any full-fledged psychological warfare procedures which might eventually become necessary.

B. *Economic*

Since submission of the second progress report on May 26, 1950, [3] a report on the economic means available to the US in pursuit of the objectives of NSC 58/2 was prepared in the Department of State and considered, revised and subsequently approved by the intelligence representatives of Defense, State and the CIA. This report (OIR No. 5227 of July 28, 1950 [4]) concludes that "neither restrictive measures nor the offer of Western economic assistance would in themselves cause the satellite countries to break away from the Soviet bloc", but that "the economic weapons available to the West are chiefly important as auxiliaries in a coordinated program designed to cause defection by other means."

At a meeting on August 3, 1950 of an interdepartmental working group, consisting of representatives from the Departments of State, Treasury, Commerce and Defense, the National Security Resources Board, the Economic Cooperation Administration and the Central Intelligence Agency, the OIR report was approved with the observation that the terms of reference of the study were limited to the appraisal of the effects of economic measures acting independently. It was also pointed out that while it was agreed that the economic weapons available to the West might not accomplish the objective of weaning the satellites away from the Soviet bloc, the effective use of these weapons for attaining other objectives in the cold war should not be disregarded. The group also observed that individual economic measures, while serving one objective in the cold war, might well hinder the attainment of other objectives in this field. The approved report has been called to the attention of other agencies and groups concerned with other individual aspects of the problem as well as to those responsible for the formulation of an over-all coordinated program.

. . . . . .

*Policy Evaluation*

No fundamental change in the Soviet-satellite relation has become discernible, nor has the general situation within the area altered. The satellites continue to be dominated by local security

[3] For the report under reference, see *Foreign Relations*, 1950, vol. IV, p. 31.

[4] Not printed.

and party organizations under the control of trusted Soviet agents, backed up by the presence or, as the case may be, by the threat, of Soviet military and police power. There has been a continuation and in cases an augmentation of the drastic purges which have liquidated doubtful elements and secured the pro-Kremlin regimes in power, and the Soviets and their local tools have been successful in warding off any trend in the satellite countries comparable to that which led Yugoslavia to its breaking with Moscow. Yugoslavia continues to be the butt of aggressive pressures on the part of both the USSR and the satellites, and tension has noticeably risen higher in the area.

Although this situation has called forth further United States efforts to buttress the independence of Yugoslavia, it has not altered United States interests in the general area nor required a revision of its basic objectives towards the satellites. However, the effectiveness with which the communist regimes have been able to thwart the development of effective Titoist groups must be weighed against the relative success reported by the implementing United States agency in regard to the support and encouragement of democratic, anti-communist elements. In consequence, it is apparent that a reappraisal is warranted of United States policies which rely heavily upon the creations of schismatic communist regimes as an interim measure.

The United States now finds itself directly engaging Soviet prestige in Korea, through military action under the aegis of the United Nations. A situation foreseen as a deterrent to direct United States action in furtherance of its basic objective vis-à-vis the satellites has thus in large measure already evolved as a result of circumstances in an entirely separate sphere. Inasmuch as the USSR is not itself openly engaged militarily in the Far East, the restraint on United States freedom of action in Eastern Europe is not entirely eliminated. However, United States policies and objectives in the satellite area may now be measured against the demonstrated willingness of the USSR to commit its satellites to military action under given circumstances.

Events since the winter of 1949 lead to the conclusion that the USSR will react as strongly to the prospect of the emergence of Titoist regimes in the satellite nations as it will to the direct threat of the creation of non-communist regimes. There would seem no apparent purpose to be served, therefore, in limiting United States policies to the promotion of schismatic communist regimes as an interim objective in the satellite area. In working directly toward the United States basic objective, however, the tactical use of Titoism, and of whatever Titoist elements may momentarily emerge under particular circumstances, should not be abandoned: . . .

In the light of the foregoing, the Department of State is reviewing NSC 58/2 for the purpose of determining whether the policies set forth in it require reconsideration. Should the Department's conclusions be that the policies require reassessment a further report containing proposed revisions will be submitted to the Council in the near future.

JAMES E. WEBB

## No. 631

123.05/6-251. Circular airgram

*The Secretary of State to Certain Diplomatic Offices* [1]

CONFIDENTIAL WASHINGTON, June 2, 1951—9:40 a.m.

The Department has been giving thought to the proper means of meeting the attempts of Communist states to subject the diplomatic representative of the Western democracies to indignities at receptions, public celebrations or similar functions. The most recent case of this type occurred when the Czechs in a number of countries where they are officially represented extended invitations to a reception May 9 "in celebration of the Sixth Anniversary of the Liberation of Czechoslovakia by the Soviet Army" (Circular telegram to American Diplomatic and Consular Officers no. 662 of May 2 [2]).

Another example is the discriminatory treatment accorded Western chiefs of mission at Prague on last New Year's day when at the invitation of the Foreign Office they went to the Hradcany Palace to sign the President's Book. They were not received at the principal entrance customarily used by diplomats but were shunted aside to a kind of "tradesmen's entrance" in another courtyard. At the same time the diplomatic representatives from the Soviet bloc countries were received in state by President Gottwald and the Cabinet.

The Communist authorities in each country also make statements on formal official occasions denouncing the US. The Hungarian Government, for example, invited all chiefs of mission at Budapest to attend a gala performance at the opera house which was to mark the beginning of official observance of Liberation Day (April 4). The initial half of the performance was given over to a political

[1] Sent to Moscow, Praha, Warsaw, Bucharest, and Budapest. Drafted by Vedeler (EUR/EE) and apparently cleared by Reinhardt, Higgs, and Davis of EUR/EE, and by an officer of S/S-PR. Vedeler signed for the Secretary of State.

[2] Not printed.

manifestation in which the Cabinet together with the President of the Presidium and the Soviet Ambassador sat at a red draped table with the Central Leadership Committee directly behind them and with all these dignitaries surrounded by the usual Communist flags, colors, portraits and slogans. On the stage before the assembled diplomatic corps the Minister of Health gave a 45 minute speech damning imperalists and capitalists, and making specific reference repeatedly to the US, Great Britain and France.

It is not difficult to determine the proper response in situations where an affront to the US is clearly indicated in advance. Such, for example, was the case of the Czech reception on May 9 when the Secretary of State decided that the invitations thereto should be ignored (reference circular telegram). In other circumstances when it is not known for certain beforehand what offenses by way of behavior or statements Communist officials may commit, it is more difficult to decide on appropriate conduct; among the possible choices are: (1) no attendance at all, (2) conspicuous withdrawal from the public function where a questionable act is committed, and (3) registering a formal protest with the Foreign Office following the function.

The Department would appreciate a full report from each mission giving such instances within its experience of the character indicated above. These should include unacceptable statements in connection with invitations or public functions, official speeches offensively critical of the US, departures from established protocol prejudicing the position of the US representatives, or other affronts to the national dignity. It is also suggested that recommendations be made as to how responsible diplomatic officers of the US should deal with these calculated insults. Upon the basis of the requested reports the Department will endeavor to furnish guidance which might be helpful in taking action in such circumstances as the foregoing desirable to uphold the national dignity.

ACHESON

## No. 632

511.004/6-251

*Memorandum of Conversation, by Valdemar N. L. Johnson of the Office of Eastern European Affairs*

CONFIDENTIAL [WASHINGTON,] June 2, 1951.

Subject: Increasing friendly attitude of certain Western European and South American countries toward the Baltic States.

Participants: Mr. Johannes Kaiv, Acting Consul General of Estonia in New York City in Charge of Legation.
EE—Mr. Johnson

Mr. Kaiv initiated a conversation on the above subject today during the ceremonies which were held in New York City in connection with the inauguration of VOA Estonian language broadcasts. [1]

He began by saying that he was deeply grateful for the consistent position maintained during the past eleven years by the US Government in not recognizing the incorporation of Estonia, Latvia and Lithuania into the USSR. He observed that the Department, of course, had previously been aware of his gratitude but that he wished to express it again on this occasion because the inauguration of VOA broadcasts in the Baltic languages was a clear affirmation of the well-known US policy toward Estonia, Latvia and Lithuania. He added that, in his opinion, the broadcasts would enhance further the "influence" which US policy toward the Baltic States has recently exerted on the attitude of certain Western European and South American governments towards the representatives of the pre-1940 Baltic Governments. He observed that US policy in this regard had always served as an important "example" to other countries of the free world but that perceptible "influence" of American policy on this question had not been evident until recently. He then proceeded to note the following examples of evident results of such "influence".

---

[1] The Voice of America inaugurated daily 15-minute broadcasts in Estonian and Latvian on June 3. The inaugural Estonian and Latvian programs included special messages by Assistant Secretary of State Barrett, Senator Paul Douglas of Illinois, Representative O. K. Armstrong of Missouri, Estonian Acting Consul General Kaiv, and Latvian Charge Feldmans. Barrett's statement on the Estonian program read in part as follows:

"The Estonian people have been deprived of their freedom and liberty since the fateful summer of 1940. The people and the Government of the United States have consistently advocated the freedom of choice of the people of Estonia, as to their form of government and way of life.

"This policy was officially expressed in a statement issued by the United States Government on July 23, 1940. . . . The adherence of the United States to the fundamental principles expressed at that time is indicated by the fact that this government has not recognized the incorporation of Estonia into the USSR and continues to recognize the diplomatic and consular representatives of Estonia in the U.S."

A similar statement was made on the Latvian program. For text of the statements on the June 3 programs, see Department of State Press Release No. 466, June 2, 1951; for a summary description, see Department of State *Bulletin*, June 11, 1951, p. 947.

Earlier, the Voice of America inaugurated Lithuanian language transmissions on February 16, Lithuanian Independence Day. On that inaugural Lithuanian program, Assistant Secretary Barrett made a statement regarding Lithuania similar to his June 3 statements regarding Estonia and Latvia. Regarding the inaugural Lithuanian broadcast, see *ibid.*, February 26, 1951, p. 354.

Mr. Kaiv referred to the fact that the Department had on occasion furnished to various American attorneys certifications concerning the attitude of the US Government towards Estonia, Latvia and Lithuania stating, for example, that the US did not recognize the incorporation of the Baltic States into the USSR and continued to recognize the diplomatic and consular representatives of those countries in the US, that treaties and agreements between the US and the Baltic States were considered to be in full force and effect, etc. He said that his Political Advisor, former Foreign Minister of Estonia, Mr. Kaarel Pusta, had taken with him on his trip to Europe during the summer of 1950 photostatic copies of such certifications and had shown them to officials of the Ministries of Foreign Affairs of various Western European countries, especially France and Italy, and that those officials had been visibly impressed with this evidence of forthright American policy on this question. Mr. Kaiv stated that Mr. Pusta's "negotiations" with those officials had been assisted by these documents and that in subsequent "negotiations" the authorities of those governments had shown a friendlier attitude than before.

As a result of the favorable impression made on the officials of Western European governments by the photostatic copies carried by Mr. Pusta, Mr. Kaiv said that he had thought it advisable to send similar copies to the official Estonian Mission in Brazil with the suggestion that the documents be shown to officials of the Brazilian Ministry of Foreign Affairs at an appropriate time. According to Mr. Kaiv, this had been done and had brought the expected favorable results.

Mr. Kaiv noted that a similar favorable impression had been made on officials of the Swedish Foreign Office late in 1949 when the Department through the American Embassy at Stockholm had asked the Swedish Foreign Office for information concerning the agreements made by Sweden with the USSR for the settlement of claims relating to Estonia, Latvia and Lithuania (see the Department's instruction to Stockholm No. 103 of November 19, 1949 and Stockholm's despatch No. 178 of February 16, 1950 [2]). According to Estonian sources in Sweden, the Swedish authorities on the occasion had been impressed and subsequently influenced by the obvious friendly attitude of the US Government toward the Baltic States.

Mr. Kaiv reiterated that the inauguration of VOA programs in the Estonian, Latvian and Lithuanian languages would, of course, influence the Western European and South American countries

[2] Neither printed.

still more towards friendly relations with the Baltic diplomatic representatives.

---

## No. 633

S/P-NSC files, lot 62D1, NSC 15

*Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)*

SECRET WASHINGTON, June 5, 1951.

Subject: First Progress Report on NSC 15/3 [1] entitled: "United States Civil Aviation Policy toward U.S.S.R. and its Satellites"

NSC 15/3 was approved as Governmental policy on January 6, 1950. It is requested that this "First Progress Report", as of May 23, 1951, be circulated to the members of the Council for their information.

1. Discussions with the British regarding coordination of United States policy, as expressed in NSC 15/3, with the British position, began in late June, 1950, several months after the British Foreign Office was advised of the substance of our revised policy. The discussions continued throughout 1950 and finally resulted in an understanding with the British Government. One important point which extended these discussions and on which no British concurrence has as yet been given is the addition of Communist China to the list of U.S.S.R. satellites to which the policy is to apply.

2. After the first of the year, the British Foreign Office advised its missions of the understanding reached with our Government. After careful consideration with the geographic bureaus of the Department and in consultation with the Department of Defense, instructions for United States missions were dispatched on March 2, 1951. [2] These instructions (a) pointed out the differences between the new policy and the preceding one (NSC 15/1 [3]); (b) emphasized the global character of NSC 15/3 as distinguished from the regional character of NSC 15/1; (c) underlined the fact that NSC 15/3 maintained integrally the prohibition against the sale and export of aircraft and associated equipment to the U.S.S.R. and the satellites and against major over-hauling of aircraft of those countries; (d) indicated that an exchange of commercial air rights could be considered if, after evaluating all relevant factors (especially military security), it could be shown that a net balance of advantage

---

[1] Dated January 5, 1950, *Foreign Relations*, 1950, vol. IV, p. 1.

[2] Document 616.

[3] See *Foreign Relations*, 1948, vol. IV, p. 451.

would accrue to the west; (e) advised the missions that this Government sees no need at this time for informing other foreign governments which agreed to the policy laid down in NSC 15/1 in view of the relatively minor revision of that policy and instructed them to act accordingly if approached by British representatives. As to countries to which no approach had been made on NSC 15/1 (largely Latin American, Far Eastern and African countries), the lack of any previous problems and the improbability of problems arising in the immediate future led to the conclusion that no discussions of the new policy with these governments is required at the present time. However, through the Department and its missions abroad, developments in these areas are being kept under careful and continuous scrutiny.

3. Although various foreign governments follow the common course of action with varying degrees of enthusiasm and determination, implementation of our satellite aviation policy may be considered as being quite successful.

(a) As far as the air transport aspect of the policy is concerned, U.S.S.R. and satellite airlines are contained behind the iron curtain with the exception of LOT (Polish Airline) service from Warsaw via Brussels to Paris; and CSA (Czech Airline) service from Prague to several Western European capitals. LOT's service is permitted in exchange for a British courier service to Warsaw (which is deemed helpful for the United States and United Kingdom Embassies in Warsaw). The French, Dutch and Belgian, and, until very recently, the British Governments have permitted CSA service because they attach importance, for political and other reasons, to continued reciprocal services of their respective national carriers to the Czech capital. However, CSA's operating permit across Germany to Zurich and Rome was suspended by HICOG last November following an unauthorized mass overflight of the Western zones of Germany by CSA aircraft. The British Government has just completed a review of its position regarding BEA service to Prague and on May 18, 1951, informed the Czech Government that, effective immediately, BEA services to Prague were discontinued and that effective June 17, 1951, no facilities would be granted for CSA to operate a scheduled service between Czechoslovakia and the United Kingdom. With regard to China, the British have not yet agreed to include China among the satellites for the purposes of this policy. Accordingly, no approach on the question of including China among the satellites has as yet been made by the United States to any other foreign government.

(b) As far as the sale and export of equipment aspect of the policy is concerned, implementation has been quite successful even though the process of attrition is a lengthy one. Admittedly, some material may be evading the more or less rigid controls and the effectiveness of such controls doubtless varies from country to coun-

try. Nevertheless, the results appear to be satisfactory and should serve as an incentive for constant and increased vigilance.

JAMES E. WEBB

## No. 634

*Editorial Note*

Sections 5 and 11 of the Trade Agreements Act of 1951 (Public Law 82–50), approved by Congress on June 5 and signed by President Truman on June 12, required the President, as soon as was practicable, to take action to deny the benefits of trade agreement concessions to imports from the Soviet Union and Soviet-dominated states of Eastern Europe. Such trade agreement concessions were provided for by the U.S.–U.S.S.R. commercial agreement of August 4, 1937, the U.S.-Bulgarian commercial agreement of August 18, 1932, the U.S.-Romanian commercial agreement of August 20, 1930, the U.S.-Hungarian Treaty of Friendship, Commerce and Consular Rights of June 24, 1925, and the U.S.-Polish Treaty of Friendship, Commerce, and Consular Rights of June 15, 1931. In accordance with the provisions of the Trade Agreements Act of 1951, the Department of State undertook to terminate the commercial agreements with the Soviet Union, Bulgaria, and Romania and to seek appropriate modification of the Treaties with Hungary and Poland. Appropriate notes were sent to the Soviet Embassy on June 23, the Romanian Legation on June 27, the Hungarian Legation on July 5, and the Polish Embassy on July 5. Inasmuch as the United States had suspended diplomatic relations with Bulgaria in February 1950, appropriate notification was made to the Bulgarian Government through the Government of Switzerland. For text of the statement issued to the press by the Department of State on July 6, explaining the actions denying import concessions to the Soviet Union and its satellites in Eastern Europe and including the texts of the notes to the Soviet, Romanian, Hungarian, and Polish missions in the United States, see Department of State *Bulletin*, July 16, 1951, pages 95–96.

In a note of August 8 to the Embassy in Poland, the Polish Foreign Ministry declined to accept the modification of the U.S.-Polish Treaty of June 1931 and accused the United States of having already extensively violated the treaty by denying export licenses to Poland, by discriminating against Polish ships, by hampering the functions of the Polish restitution and repatriation missions in the United States zone of occupation in Germany, and by refusing to hand over to Poland German war criminals. For the text of the

Polish note, which was published in the Polish press on August 10, see *Documents on the Hostile Policy of the United States*, pages 110–115. Acting on instructions from the Department of State, the Embassy in Warsaw on September 20 replied to the Polish Foreign Ministry rejecting as "unworthy of serious consideration" the contention of the Polish Government that the United States was proposing modification of the Treaty of 1931 in order to sanction formally the violations of the Treaty by the United States. The note of September 20 also briefly refuted some of the allegations raised in the Polish note of August 8. (Telegram 107 to Warsaw, September 14, 611.484/8–1351 and telegram 256 from Warsaw, September 18, 611.484/9–1851)

In a note of September 18 to the Legation in Bucharest, the Romanian Foreign Ministry briefly acknowledged the United States note of June 27 and concluded with the following observation:

"The Rumanian Government considers the above-mentioned decision of the Government of the United States of America—which is in contradiction with the recent declarations of the Government and Congress of the United States which speak of their desire to 'live in friendship with all other peoples and cooperate with these'—as an act providing the hostile policy of the Government of the United States against the Rumanian People's Republic and seeking the further deterioration of the relations between the United States of America and the Rumanian People's Republic, a policy responsibility for which lies entirely with the Government of the United States of America."

The text of the Romanian note, which was published in all Bucharest newspapers on September 25, was transmitted to the Department of State as an enclosure to despatch 94, September 19. (411.6631/9–1951)

On August 1 President Truman signed a proclamation (Department of State *Bulletin*, August 20, 1951, page 291) giving effect to sections 5 and 11 of the Trade Agreements Extension Act of 1951 which suspended trade concessions for Communist-dominated countries. The date of implementation of the suspensions with respect to individual Eastern European countries varied with the different procedures for termination of the treaties and commercial agreements with those Eastern European countries. On August 1 President Truman informed the Secretary of the Treasury of the suspension, as of August 31, of trade agreement concessions on imports from Albania, Estonia, East Germany, Latvia, and Lithuania and several Far Eastern areas. (*Ibid.*, pages 291–292) On September 17 the President notified the Department of the Treasury of the suspension, as of October 17, of concessions on imports from Bulgaria. (*Ibid.*, October 1, 1951, page 550) Subsequent notifications were

made by the President with respect to Czechoslovakia on October 2 (*ibid.*, October 15, 1951, page 621) and with respect to the Soviet Union and Poland on November 23 (*ibid.*, December 3, 1951, page 913). As of January 4, 1952, only Hungary among Communist-dominated states continued to enjoy most-favored-nation treatment in trade with the United States. The U.S.-Hungarian Treaty of Friendship, Commerce and Consular Rights of June 24, 1925, required a full year's notice for termination.

Documentation on the denunciation of commercial agreements and treaties of friendship, commerce and consular rights between the United States and the Communist-dominated states of Eastern Europe are principally included in files 411. **4 and 611. **31 (where the asterisks indicate the file number for the country concerned).

---

## No. 635

660.001/6-2151

*Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)*

SECRET [WASHINGTON,] June 21, 1951.

Subject. Military clauses of satellite Peace Treaties.

Participants: Earl Jellicoe, First Secretary of the British Embassy
John C. Campbell, EE

Lord Jellicoe repeated the views of the Foreign Office in response to the Department's question whether the British Government was still opposed to making formal charges to the satellite governments that they have violated the military clauses of the Peace Treaties. [1] He said that the Foreign Office was still not disposed to take this step at this time for the following reasons:

(1) The Foreign Office does not think that such action would strengthen the position of the Western Powers in connection with current or future Four-Power talks. They think it doubtful that we would receive any reply, and that if replies were received they would be designed to lead us into side issues and would not bolster any case we wish to make in Four-Power talks.

(2) Such action would actually be in opposition to the general approach that has been taken toward the Four-Power talks. If we are going to impress world opinion, the Foreign Office says, we shall have to offer broad positive and constructive proposals. From that

[1] Regarding the Department of State proposal to make such charges, see Bonbright's memorandum of conversation and the memorandum from the Department of State to the British Embassy, Documents 614 and 615.

point of view, it would be inadvisable to lead off by initiating futile exchange of notes on this subject.

(3) The Foreign Office recognizes the force of the argument that charges in regard to the satellite Peace Treaties could be used in connection with efforts to revise the military clauses of the Italian Peace Treaty. They question whether formal denunciation is necessary for that purpose. World opinion already recognizes that the satellites have violated their Treaties, and it is not necessary to place this formally on record. To do so might restrict our freedom of maneuver on the Italian Treaty.

I told Lord Jellicoe that we still believed it would be desirable to take the steps we had proposed but that I did not know what the Department would wish to do next after considering the British position. He gave as his personal opinion that, while the Foreign Office seemed to have definite views on the matter, whether formal protests were or were not made was not a question of great significance and the arguments were fairly well balanced on each side. He considered the Foreign Office views not as final but rather as representing their estimate at this particular moment.

---

## No. 636

511.00/8–1751

*Memorandum by the Deputy Assistant Secretary of State for Public Affairs (Sargeant) to the Under Secretary of State (Webb)*

SECRET [WASHINGTON,] August 17, 1951.

Subject: Information on Propaganda Balloon Projects

In your conversation with Mr. Antoine Gazda about balloons at 3:30 p.m. Monday, I suggest you take substantially the following line:

For several months the Department has been following with interest certain privately-sponsored plans to use balloons as vehicles for the delivery of propaganda. The Department felt that such projects had sufficient merit to warrant experimentation on a test basis, and consequently encouraged the private interests involved to proceed.

The first result of this experimentation was a series of launchings from the vicinity of Munich, which began a week ago. The balloons used in this project, according to the private source which helped carry it out, were of two types—a rubber balloon carrying a load of three and one half pounds or 2,200 leaflets; and a pillow type plastic balloon manufactured by General Mills. The latter type is especially designed to come to earth after a given period of

time, where it bounces along the ground exciting considerable curiosity. [1]

Although the project described was privately sponsored, the decision to implement it was made after consultation with the Department. It is too early to evaluate the results.

Mr. Abbot Washburn, Executive Director of the Crusade for Freedom in New York, is in a position to give further information about this type of project to manufacturers or other interested private groups. His address is Empire State Building, New York City. The Crusade is the fund raising organization of the Committee for Free Europe, which has taken . . . leadership in getting up the project. So far, as you know, most of the publicity has emphasized the participation of United States organizations. I think the international nature of the sponsorship should be stressed. The sponsors include the Inter-American Federation of Free Trade Unions which has a large Latin American membership; the General Federation of Women's Clubs with a claimed membership of 5,500,000 plus another five and a half million in the United States; the AFL Trades and Labor Congress of Canada; the CIO Canadian Congress of Labor; and the International Federation of Free Journalists which claims a membership of one thousand newsmen most of whom are exiles from Soviet countries.

According to press reports, the initial balloon launching was attended by several European anti-Communist leaders including Boleslaw Wierzbinaski of Poland; Jorge Jonescu of the Rumanian Federation of Free Journalists; and Frau Lotte Stoehr of Germany.

. . . . . .

HOWLAND H. SARGEANT

---

[1] According to information in Department of State files, the balloon launchings under reference here, sponsored by the Committee for a Free Europe and sometimes referred to as the "Winds of Freedom" operation, began on August 13, and continued for some weeks. Over 15,000 balloons were launched, mostly over Czechoslovakia but some also over Poland. Regarding one of the launchings in the operation, see telegram 189 to Praha, Document 710. For a brief account of the operation in 1951, see Allan A. Michie, *Voices Through the Iron Curtain: The Radio Free Europe Story* (New York, Dodd, Mead & Company, 1963), pp. 136–138. The operation is also mentioned in Barrett, *Truth Is Our Weapon*, p. 96.

## No. 637

760.00/8-1751: Telegram

*The Chargé in Sweden (Woodward) to the Secretary of State*

CONFIDENTIAL STOCKHOLM, August 17, 1951—6 p.m.

241. During past two days local press has featured stories from New York correspondents several Swedish papers regarding contemplated deportation to Sweden of 200 refugee un-visaed Balts who fled via Sweden to US in small boats. Papers also highlight report that Congressman Donovan of New York introducing bill authorizing Balts remain in US.

If returned to Swed, Balts would now have no justifiable cause to fear deportation behind Iron Curtain because Swed Govt has come to adopt at least under present conditions a clearly benevolent policy toward political refugees from Iron Curtain countries. Nevertheless, Balts here in Swed are still leaving for US, Canada, and Australia at rate of 400 a month partly because of their propinquity in Sweden to Iron Curtain and because Sweden recognizes Soviet sovereignty over Baltic States. It was largely this fact of course which caused two [hundred?] Balts now facing deportation in US to undertake dramatic perilous voyage in small boats to American shores. The spectacle of the US now deporting these Balts to Sweden could have none other but highly unfavorable effect on Balts, Swedes, and world opinion at large. It would undermine the high respect for the US held by Balts in exile and the hopes of Balts in their enslaved homelands. It would gratuitously supply Communists with effective propaganda material, and would be particularly unfortunate in view of rash of dramatic escapes now taking place to Sweden from trans-Baltic areas.

Emb therefore urges that Dept lend its full support to legislation permitting Balts in question to remain permanently in US.

WOODWARD

## No. 638

561.00/8-2551. Circular airgram

*The Secretary of State to Diplomatic and Consular Offices* [1]

CONFIDENTIAL WASHINGTON, August 25, 1951—8:25 a.m.

AIRGRAM SERIES ON SOVIET ECONOMIC PROPAGANDA NO. I

GENERAL ECONOMIC CONFERENCE OF THE WORLD PEACE COUNCIL

The Department is currently in process of furnishing to the field short analyses, of potential value as background information and of potential use in United States information operations, on various topics connected with the Soviet-Communist economic propaganda attack upon United States trade policy and economic objectives. This Communist attack is also directed against other free nations, NATO, etc.

The following is unclassified information on the General Economic Conference of the World Peace Council scheduled for October in Moscow:

The General Economic Conference, scheduled for Moscow in October, is one of the numerous regional and special-interest meetings suggested by the World Peace Council at its Berlin meeting, February 21–26, 1951. [2] As a part of its program for popularizing the peace movement and establishing new contacts, the Council is seeking to secure the participation of economists, scientists, industrialists, businessmen and trade unionists of all countries. The meeting, which has been envisaged by M. Marinin, foreign political observer of *Pravda*, as providing the stimulus for the development

---

[1] Drafted by Evans (OIR/IFI) and Holder (EUR/EE), concurred in by Oram (P/POL) and Wright (EDS), and signed for the Secretary of State by Truesdell (EUR/EE).

[2] Regarding the meeting under reference, see footnote 4, Document 625. At its Berlin session, the World Peace Council issued a resolution calling for a General Economic Conference to be held in Moscow during the summer of 1951. At a meeting of the World Peace Council Bureau in Helsinki in July 1951 it was announced that the General Economic Conference would be held in Moscow before the end of 1951. Subsequent information indicated that the conference would be convened on October 1 and later December. A meeting of the initiating committee for the projected conference was scheduled for Zurich in October but was postponed and later held in Copenhagen, October 27–28. Telegram 749 from Moscow, reported that a communique issued at the Copenhagen meeting stated that the General Economic Conference would be held in Moscow, April 3–10, 1952. The communique further stated that the conference would discuss "means of improving living conditions through peaceful economic cooperation of the different countries and systems while avoiding discussion of the merits of such economic and social systems." The Embassy commented that the several postponements of the projected conference seemed to indicate that the World Peace Council was encountering more difficulties than expected in organizing the conference. (561.00/10-3051)

of normal economic relations, has a two point agenda: (1) the prospects for improving the living conditions of the present generation; and (2) the prospects for improving international trade. Spokesmen for the peace movement have vigorously denied that the conference will take a partisan approach. Thus, Yves Farges, president of the French section of the Partisans of Peace, in a recent article in the French pro-Communist newspaper, *Liberation*, rejected a suggestion that it would try to separate the European countries economically from the United States and asserted that "only trade exchanges on a reciprocity basis will be discussed at Moscow." Similarly, an editorial in the second issue of the Soviet magazine *News* [3] stated that the conferees would come together "not for political argument, not in order to impose their own particular views regarding social and political systems on one another, but to discuss economic developments in their own countries and to devise practical measures."

Despite such pious pronouncements, however, an editorial in the Soviet magazine *News*, entitled "A Step in the Right Direction," clearly indicates that the Conference will serve as the usual type of Communist propaganda forum. After stating that the problems of improving the standard of living and trade relations between countries require the preservation of peace, the article went on to charge that normal trade relations have been "undermined by unilateral actions of those who are working to precipitate a third World War . . . [and] by the selfish and egoistic policy of a small clique of monopolies interested in encouraging rearmament and eager to gain control of the world's supply of raw materials . . . "—referring, of course, to the United States. On the other hand, the editorial states "We think it right and proper that an international economic conference is to meet in the Soviet Union. The USSR is a country whose economic policy is entirely designed to promote the welfare of people and subdue the forces of nature in the interests of man."

With this as a cue, some of the now-familiar arguments which will be aired at the Conference will probably include:

(1) The thesis that the absence of normal economic relations contributes to international tensions; (2) the charge that the rupture of international trade is part of the "aggressive course adopted by the US monopolists and directed toward preparing a new world war"; (3) the charge that the economic difficulties of the Western community are aggravated by the "aggressive and disruptive policies of the US ruling circles"; (4) the argument that the trade relations between the US and the "Marshallized countries" are similar to the

---

[3] Regarding the Soviet publication *News*, see telegram 74 from Moscow, Document 790.

"relations between a metropolis and a colony"; (5) the charge that the Western "arms drive" brings inflation and a lower standard of living to the workers, impedes technical progress, and ruins small and medium businessmen in Western Europe; (6) the charge that the countries of Western Europe, Latin America, the Near and Middle East are being subjugated economically and politically to the interests of "Wall Street"; and (7) the conclusion that an extension of trade with the USSR and the People's Democracies would help these countries to overcome their economic difficulties. It is interesting to note that Soviet broadcasts have paid increasing attention to international economic strains, particularly as they affect Great Britain, probably as a build-up to the Conference.

It is accordingly obvious that the Conference is aimed especially at purveying the Communist peace propaganda among a group that hitherto has remained outside its influence, attacking the Western economic policies—particularly those of the United States—and impressing the business audience with the desirability of trade with the Communist orbit and with the "peaceful" policies of the USSR. In addition, *News* has used the project as method of highlighting what it calls the "impotency" of UN agencies to cope with international economic difficulties and to attribute their failure to "the fact that the United Nations is being subjected to the pressure of the same group of monopolies and is being used by them to further their own political ends." Whatever program emerges from the Conference—and Yves Farges has stated that the proposals of the USSR and Chinese delegates would be "really sensational"—it is clear that the Conference should be considered as another sortie in the Kremlin's psychological warfare.

ACHESON

---

## No. 639

300.161/9-1851

*Memorandum of Conversation, by the Officer in Charge of USSR Affairs (Davis)*

CONFIDENTIAL [WASHINGTON,] September 18, 1951.

Subject: British Attitude Toward Soviet-inspired International Economic Conference to be Held in Moscow Before End of This Year

Participants: Mr. Edward E. Tompkins, First Secretary of British Embassy
EE—Mr. Davis

Mr. Tompkins telephoned to tell me the preliminary views of the Foreign Office in regard to the Soviet-inspired International Eco-

nomic Conference scheduled to be held in Moscow in December. [1] I had previously requested Mr. Tompkins to inform us of the thoughts and attitude which the Foreign Office had in regard to this prospective conference.

Mr. Tompkins told me he had received a preliminary reply which would be followed up in the near future by a letter in greater detail which he would bring for me to read. [2] The preliminary stand taken by the Foreign Office is as follows.

1. No administrative measures would be taken to prevent British subjects from participating in the conference.
2. No statement would be issued by the Foreign Office or the Government in regard to the conference except in response to questions in the House of Commons, etc.
3. The Foreign Office would attempt to "educate" public opinion concerning the true nature of the conference by means of inspired articles and by personal briefing of Britishers who might wish to participate in the conference.

Mr. Tompkins added that the Foreign Office agreed with our estimate of the true nature and purpose behind the conference.

R [ICHARD] H. D [AVIS]

---

[1] Regarding this conference, see the circular airgram, *supra*.

[2] On September 27 Tompkins called on Davis again and read a letter from the Foreign Office to the British Embassy outlining the position of the Foreign Office to the projected Moscow Economic Conference along the lines described here. Tompkins also gave Davis a copy of a British Foreign Office circular communication to various British missions abroad outlining the attitude which was to be taken by British officials to the conference. The Foreign Office felt that the main object of the conference was to further the general aim of the Communist "peace" campaign, namely, to undermine the unity of purpose and to remove the incentive behind western rearmament. The Foreign Office believed that a secondary aim of the proposed conference was to build up the World Peace Council as a rival to the United Nations by establishing an organization comparable to the UN Economic and Social Council. (Memorandum of conversation by Davis, September 27, 398.00-MO/9-2751)

## No. 640

249.1111-Oatis, William N./9-651

*The Secretary of State to Senator Tom Connally* [1]

CONFIDENTIAL [WASHINGTON,] September 24, 1951.

MY DEAR SENATOR CONNALLY: I refer to your letter of September 6, 1951 and to the Department's interim reply of September 7 regarding Senate Resolution 200 "Favoring retaliatory action against

---

[1] Drafted by Virginia H. James (EUR/EE) and cleared with 16 officers in EUR/EE, EUR, P, SA/M, UNA, UNI, UNP, L/UNA, and CON(VD).

newspaper correspondents from Communist countries". [2] You request the Department's comments on the recommendations in the Resolution to the effect that, as a reprisal for the treatment accorded the American correspondent William N. Oatis by the Government of Czechoslovakia, [3] representatives of the Telegraph Agency of the Soviet Union (TASS) be excluded from the Congressional Press Galleries, "their credentials and diplomatic passports be withdrawn", and that all other correspondents from Communist countries be subjected to the same restrictions as are placed upon United States correspondents behind the Iron Curtain.

It is noted that Resolution 200 states that the Czechoslovak Ambassador to this country has officially declared the Oatis case is "finished business", thus in effect declaring there is no possibility of Mr. Oatis' release. In his conversation with the Secretary of State on August 29, when the Czechoslovak Ambassador was summoned to the Department, he did not say or suggest in any way that the Oatis case is "finished business", nor has he or any other Czechoslovak official so indicated to any officer of this Government. [4] It is understood, however, that in response to questions by press correspondents the Ambassador stated that the Oatis case was closed from a juridical point of view. The Czechoslovak Ambassador thus appeared to imply that the Czechoslovak Government has not closed the door to further consideration of the Oatis case from other points of view.

In connection with this Resolution I would like to give you information concerning the Telegraph Agency of the Soviet Union (Tass) and the status of its representatives in the United States.

The Telegraph Agency of the Soviet Union (Tass) in the United States with offices in Washington and New York is a section of the main Telegraph Agency of the Soviet Union with headquarters in Moscow. Tass is a Soviet Government organization attached to the Council of Ministers of the USSR and functions as the official news gathering body for the Soviet Government.

Soviet citizens representing Tass in the United States hold Soviet official passports, not diplomatic. They entered the United States on United States official visas, not diplomatic visas, for the purpose of carrying on the duties of a correspondent for Tass. There are eight Soviet citizens representing Tass in the United States. Seven of these representatives are stationed in the New York office of Tass;

---

[2] Neither of the letters under reference is printed. Senator Connally's letter transmitted a copy of Senate Resolution 200, introduced by Senator Herbert R. O'Conor of Maryland on September 5, and requested Department of State comment. (249.1111-Oatis, William N./9-651)

[3] For documentation on the Oatis case, see Documents 670 ff.

[4] See the Secretary of State's memorandum of this conversation, Document 706.

one, Mikhail Aleksandrovich Fedorov, in the Washington office. These representatives are:

Nikolai Nikolaevich Karev
Mikhail Aleksandrovich Fedorov
Nikolai Antonovich Kossov
Nikolai Ivanovich Nikitin
Pavel A. Fisunov
Ivan Ivanovich Beglov
Leonid V. Sorokin
Georgi Nikitovich Bolshakov

The representatives of Tass are not on the Department of State *Diplomatic List* and are not entitled to diplomatic privileges and immunities. In the view of the Department of State, Tass representatives have the status of Soviet Government officials with the duties of a "correspondent" for Tass. The fact that they entered the United States as a correspondent for Tass on a United States official visa does not grant them any special consideration in connection with the transmission of news abroad or immunity from the laws of the United States.

Of the four representatives of Tass who are admitted to the Congressional Press Galleries, only Mikhail A. Fedorov is a Soviet citizen. The other three, Laurence Todd, Jean Montgomery and Euphemia K. Virden, are American citizens.

While it is the prerogative of the Congress to establish the rules under which the Standing Committee of Correspondents determines which news agencies and correspondents are entitled to the privilege of the Congressional Press Galleries, I wish to point out the following.

The ejection of the Tass correspondents from the Congressional Press Galleries might result in the imposition of additional controls and restrictions on American correspondents in the USSR. It might also result in the expulsion of American correspondents from the Soviet Union or even place them in personal jeopardy. The expulsion of Tass representatives from the Congressional Press Galleries would not deprive them or Tass of sources of public information regarding official United States Government business.

Seven of the eight representatives of Tass in the United States, including Mikhail A. Fedorov, the Soviet Union representative who is accredited to the Congressional Press Galleries, are accredited by the United Nations. Application for accreditation of Georgi N. Bolshakov is pending.

Under the Headquarters Agreement between the United States and the United Nations, [5] the United Nations accredits aliens as

[5] For documentation regarding the negotiation of the U.N. Headquarters Agreement of June 26, 1947, see *Foreign Relations*, 1947, vol. I, pp. 22 ff.

correspondents after consultation with the United States. Under the provisions of the Headquarters Agreement the United States may restrict correspondents accredited by the United Nations to the Headquarters Area, but such correspondents are subject to deportation only if they abuse privileges of residence by activities outside their official capacity. If, therefore, the recommendation that "their credentials and diplomatic passports be withdrawn" means that the United States should expel the Soviet citizens representing Tass without regard to any abuse by them of their privileges of residence, it should be noted that such action would be a violation on the part of the United States of its obligations under the Headquarters Agreement.

While steps could immediately be taken to expel the Tass correspondent accredited only to this Government, that is, Georgi Nikitovich Bolshakov, the Soviet Union could in that event be expected to retaliate at the very least by the expulsion of one or more of the five accredited American correspondents in Moscow maintained by the *New York Times*, Associated Press, United Press and Overseas News Agency; or it could retaliate by methods involving the personal safety of one or more of these American correspondents.

The expulsion from the United States of Tass representatives with Soviet citizenship would not cut off the main headquarters of Tass in Moscow from American news sources. It can be expected that Soviet citizens would promptly be replaced by American citizens who were either members of or sympathetic with the aims of the Communist Party. There are twelve American citizens registered as employees of Tass with the Department of Justice under the Foreign Agents Registration Act of 1938, as amended. Also, there is no prohibition against diplomatic representatives of the Soviet Government accredited to the United States Government sending news items by diplomatic pouch or through commercial channels to Tass, the official news gathering body of the Soviet Government. Instances are known of the press attachés and employees of Soviet missions abroad being officially designated as Tass representatives.

The following is presented with reference to the recommendation that "all other correspondents from Communist countries be subjected to the same restrictions . . . as are placed upon United States correspondents behind the Iron Curtain".

There are only twelve alien correspondents in the United States representing news agencies in Iron Curtain countries. Ten of these correspondents are Soviet citizens and two are Polish citizens. In addition to the eight Tass representatives in the United States, there are two other Soviet citizen correspondents in the United States. Ivan A. Fillipov represents *Pravda*, the organ of the Com-

munist Party of the Soviet Union (Bolsheviks) and is accredited to the United Nations as a news correspondent. Evgeni V. Litoshko represents *Pravda* and the All Union Radio Committee with headquarters in Moscow. E. V. Litoshko does not broadcast for the All Union Radio Committee, sending to the Soviet Union only written material. He is not accredited to the United Nations. The two remaining alien Communist correspondents in the United States are the Polish citizens Mieczyslaw Wionczek and Henryk Gall, representing the Polish Press Agency, PolPress, a section of the main official press agency in Warsaw. These Polish correspondents entered the United States on official United States visas and both are accredited to the United Nations.

Czechoslovakia has no Czechoslovak national acting as a correspondent in the United States. An American citizen, Mr. William Weinstone, is registered with the Department of Justice under the Foreign Agents Registration Act of 1938, as amended, as a correspondent for Telepress, a news agency with headquartes in Prague.

Since there are no alien Communist correspondents from the other Iron Curtain countries, the question of reciprocity can apply only to the Soviet Union and Poland. There are no American citizen correspondents representing American news agencies in Poland at the present time.

The Department has given extensive study to the question of imposing restrictive and retaliatory measures upon the representatives in the United States of the Soviet Tass agency and the Polish Press Agency. An important consideration is whether restrictive measures would assist or hinder the cause of American correspondents in the Iron Curtain countries and whether such action would in the end have undesirable effects on the basic principles which govern American freedom of the press.

The second consideration is whether the situation justifies the repudiation of long established principles which have guided the American press and this Government in its relations with the American people and peoples of other nations, namely the free flow of information between the peoples of the world and free access to sources of information. It is on this principle among others that the American Government basically parts company with communism and I believe we should thoroughly evaluate suggestions of action which run counter to this principle. Reprisals breed retaliation and counterreprisals.

While understanding and appreciating the motives which prompted the introduction of Resolution 200, it is believed that the action recommended would not improve the situation of William N. Oatis, which is the primary purpose of the Resolution, nor would it serve the best interests of the American press and this Govern-

ment. In this connection reference is made to the Department's confidential letter of August 3, 1951 outlining in connection with Senate Resolutions 175 and 178 the measures which the Department was taking and planned to take in an effort to obtain the release from prison in Czechoslovakia of William N. Oatis. [6] Since that date a number of the proposed measures have been put into effect and the Department is considering further action to be taken in his behalf.

Sincerely yours,

For the Secretary of State:
JACK K. MCFALL
*Assistant Secretary*

[6] Regarding the letter of August 3 to Senator Connally, see Document 703.

## No. 641

S/P-NSC files, lot 62D1, NSC 15

*Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)*

SECRET WASHINGTON, September 24, 1951.

Subject: Second Progress Report on Implementation of NSC 15/3, [1] entitled: "United States Civil Aviation Policy toward U.S.S.R. and its Satellites."

NSC 15/3 was approved as Governmental policy on January 6, 1950. It is requested that this "Second Progress Report," dated September 24, 1951, be circulated to the members of the Council for their information.

(1) Prior to September 11, 1951, when CSA services were suspended, the Czech (CSA) and Polish (LOT) airlines were the only remaining Soviet satellite airlines providing air services outside the Soviet orbit. Even now, LOT flights from Warsaw over Western Germany to Brussels and Paris continue to be justified, under the principles laid down in NSC 15/3, by the need to maintain landing rights for Western diplomatic courier plane service into Warsaw (operated by the British but available to the United States). On the other hand, CSA flights to areas outside the Curtain, orginally extensive, have been progressively restricted. The curbing of CSA flights has been particularly active during the last several months and has constituted a problem of substantial concern, not only as it relates to NSC 15/3 but, even more importantly, in formulating

[1] Dated January 5, 1950, *Foreign Relations*, 1950, vol. IV, p. 1.

United States action in connection with the Czech detention of United States jets and pilots as well as the Oatis case. A review of this situation as it has developed during the last three months may be of interest to the Council.

(2) As indicated in the "First Progress Report", dated June 5, 1951, [2] the United Kingdom terminated BEA's service to Prague on May 19, 1951; and CSA's service to London was terminated, at British request, on June 17, 1951. Accordingly, CSA's permit, when renewed by HICOM Germany for July 1951, authorized overflights of Western Zones, Germany, only on the route Prague to Paris, Brussels and Amsterdam.

(3) At the expiration of CSA's yearly permit on March 31, 1951, HICOM Civil Aviation Board adopted the practice of extending the permit on a monthly basis, notification of such extension being sent to the Czech Military Mission. Berlin, on the 15th of the preceding month.* As a result of Czech detention of two United States jet aircraft and their pilots, force-landed in Czech territory early in June, HICOG Civil Aviation Division, on the Department's instruction, with the British and French concurring, delayed the notification of renewal. The United States at the same time approached the British and French Governments to secure their concurrence in suspending CSA's operating permit if the pilots were not released by June 30. On June 26, both the British and French members of HICOM CAB stated that they favored renewal of CSA's permit. The Czech Government's notification to our Embassy in Prague, on June 28, that the pilots would be released and the jets returned avoided any disagreement on the issue of renewal and, on June 29, CAB informed the Czechs that CSA could continue, until July 31, to operate its Paris, Brussels and Amsterdam service.

(4) While the United States was exploring, with the British and the French, the suspension of CSA's permit as one of several measures to effect the release of Oatis, the Swiss formally requested HICOM to reconsider the November 1950 suspension of CSA's overflight permit for the Prague–Zurich service. The Swiss request was prompted by an indication that the Czechs would terminate Swissair's service to Prague as of July 31. The United States and the British opposed, while the French member of HICOM CAB favored, restoration of this permit on a month-to-month basis. The matter

---

[2] Document 633.

*The Czech Military Mission in Berlin protested, on June 18, against the monthly renewals of CSA's permit and requested a permit for "at least" one year as a matter of international right and practice. This request was rejected by HICOM CAB on the ground that in areas of military occupation the exercise of air rights is, under international agreements, subject to such approval as the military authorities may require. [Footnote in the source text.]

was thereupon referred to HICOM, General Committee, on July 30, where it now rests. Despite Czech threats to terminate Swissair's Prague service on July 31, continuation of such service was extended, first to August 15 and, subsequently, to September 15, 1951. The extension was effected by a "gentlemen's agreement" between Swissair and CSA, pursuant to which CSA will continue to receive the financial benefits of the previously existing "pool" arrangement despite the fact that CSA does not operate the Prague–Zurich route.

(5) In the meantime, the United States continued to urge the British and French—in HICOM CAB as well as in London and Paris—for concurrence in suspending entirely CSA's permit after July 31. It was pointed out that this measure is not now intended solely as implementation of NSC 15/3, but as one of several pressures the Allies may bring to bear on the Czech Government to release Oatis and to make it realize, generally, the Western Powers' determination to respond in kind to offensive Czech Government conduct toward the Free World. For a variety of reasons, both the British and French exhibited initial reluctance to concur with the course of action urged by the United States. At the outset, the British and French members of HICOM CAB, apparently under instructions of their respective governments, were prepared at most to put the renewal of their permit on a "day-to-day" instead of on a monthly basis. The British took the position, in brief, that suspension might cause more harm to the Allies than to the Czechs, and strongly advocated consultation first with Belgium and the Netherlands. The French based their initial reluctance to go along, partly on "commercial reasons" (among others, Air France's interest in maintaining Paris–Prague service, which it operated in pool with CSA) and, partly, on French interest in effecting the release of French citizens imprisoned by the Czechs. Desiring to maintain Allied unity, the United States agreed, on July 31, to a notification to the Czechs, stating that CSA's permit was still under consideration but that CSA was permitted to continue services to Paris, Amsterdam and Brussels, on the same schedules and frequencies as in July "pending further communication from HICOM". Although we initially desired to avoid directly connecting suspension of CSA overflight authorization with the Oatis case, we agreed to the British suggestion for a preliminary approach to the Czech Government, hinting at such a connection. We also agreed to approach, concurrently with the British, the Belgian and Netherlands Governments; and made it clear to the French that while we attribute great importance to the Oatis case, this and other retaliatory measures are intended for the protection of Western nationals generally, not for the promotion of purely American interests. On August

22, the French cabinet approved suspension of Czech overflights as a measure of Western solidarity. The Belgians indicated concurrence with the proposed measure, and the Dutch, after initially expressing some reluctance to go along unless other Western powers whose carriers operated to Prague would equally share the risks involved, also agreed. The agreement of all affected countries having been obtained, HICOM, on September 10, 1951, informed the Czechs that they had "suspended until further notice the permit of the Czech airline to fly across the territory of the German Federal Republic effective midnight September 11, 1951."

(6) Upon the approach of the widely-advertised "Youth Congress" in East Berlin, sponsored by the U.S.S.R., the United States instructed HICOG, on July 20, to deny requests from any carrier for overflight of Germany, to or from Prague or Berlin, in regard to special or extra flights which were connected with this Congress. In this instance, the British and the French promptly concurred in the proposed course of action.

(7) Early in June, the Department received reports that an Indian carrier, Himalayan Aviation Ltd., may be planning the establishment of air services between India and China. Reportedly, two routes were under consideration: (a) Calcutta -Rangoon -Bangkok -Hanoi -Canton or Chunking; (b) Calcutta -Mandalay -Kunming -Chentu -Hangkow -Peking or Canton. Our Missions were promptly alerted and inquiries made at New Delhi indicating to GOI our interest. It does not appear at the moment that this plan is anywhere near realization, although another Indian carrier (Bharat Airways) is reportedly also interested in such a service through Southeast Asia and ultimately into China. It seems virtually certain that the French would not grant landing rights to such a service in Hanoi; and the Burmese apparently have not been approached as yet. Our Missions are keeping a watch on this situation and, in the case of more concrete indication that establishment of such a service will be pursued, appropriate steps will be taken.

(8) As indicated in the First Progress Report (para. 3 (b)) the implementation of the equipment aspect of the policy has been satisfactorily achieved. Most countries agreed in one form or another to institute and maintain controls over the sale and export, direct or indirect, of aircraft, spares and associated equipment to the Soviet bloc. United States Missions, particularly in countries where such equipment is manufactured and in countries used for transshipment, maintain a continuous watch to preclude, as far as possible, evasion of such controls.

On balance, it is the opinion of the Department that the policies contained in NSC 15/3 are now as fundamentally sound and applicable as when approved in January 1950. Major difficulty arises in

effecting the coordination with foreign friendly governments that is necessary before the restrictive provisions of this policy can be effectively applied against the Soviet or its satellites. Frequently, the United States has called on these governments, principally the French and British, to give up some economic advantage they presently possess, such as a profitable air service, and some reluctance to do so has been evidenced, principally by the French. Often, however, such difficulties as exist between the United States and the other countries are of a procedural nature relating to the manner in which restrictions are to be imposed rather than whether restrictions should be imposed.

JAMES E. WEBB

---

## No. 642

398.00-MO/10-1251

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Deputy Under Secretary of State (Matthews)* [1]

SECRET [WASHINGTON,] October 12, 1951.

Subject: Soviet-Inspired International Economic Conference Scheduled to be Held in Moscow in December [2]

---

[1] Drafted by Revey (P/POL) and Smith (EUR/EE), and approved by Barbour (EUR/EE), Byington (EUR/WE), and Sargeant (P). Transmitted to Matthews through Counselor Bohlen together with a copy of an alternative position paper drafted by Helen Kirkpatrick (EUR/EE). The Kirkpatrick paper suggested the following course of action:

"Western participation should not be unduly hampered, and careful steps should be taken to see to it that the western delegations are infiltrated with well-briefed, eloquent and skillful representatives of the western viewpoint. These delegates must be briefed by the Department, but the fact that they have been picked and briefed must not be revealed until after the Conference. It will be their task to disrupt, contradict and in every way possible sidetrack the Moscow discussion, and following the conference to use every media to expose the running of the conference and its objectives."

In a brief transmittal memorandum of October 13 to Bohlen, Assistant Secretary Perkins commented as follows:

"I have not enough wisdom to justify overruling the memo that Jamie [Bonbright] has signed, although I admit that Helen's suggestion has great appeal. Will you pass these papers on to Doc [Matthews] with whatever recommendation you think proper."

In a brief transmittal memorandum of October 18 to Matthews, Bohlen observed that on balance he agreed with Bonbright's memorandum. Bohlen saw some advantages in Kirkpatrick's view, but he felt that "the net gain would be relatively unimportant as compared with unquestioned risks and dangers." Matthews' marginal endorsement read: "On balance I agree with this, but am open to persuasion."

[2] Regarding this conference, see the circular airgram, Document 638.

*The Problem:*

The problem is to determine what the United States position should be and what action it should take with respect to the Soviet-sponsored "international economic conference" to be held in Moscow, probably in December.

*Recommendations:*

In the light of the background and the considerations set forth below, it is recommended:

1. That the Department issue a statement denouncing the purposes of the proposed Moscow economic conference. It is suggested that the statement:

a) identify the conference with the "World Peace Council" and expose the WPC as a front organization established to further the aggressive purposes of the USSR,

b) point out that the WPC has been set forth by Communist spokesmen as a rival to the United Nations,

c) emphasize that there are a number of appropriate organizations for discussion of matters relating to international trade, particularly the various specialized economic agencies in the UN, and that the very fact that sponsors of the conference are attempting to bypass these agencies emphasizes its spurious nature,

d) make plain that the causes of existing international tensions are not economic but essentially political and military in character,

e) emphasize that the world cannot easily be deceived by mere variations on the "peaceful coexistence" theme, much less by transparent propaganda stunts designed to create mischief among the free nations,

f) the Free Nations will never fail to respond to genuine and concrete Soviet actions which contribute substantively to the relaxation of current international tensions,

g) until the Soviet Union substantiates its "peace" propaganda by concrete deeds the community of free nations has no alternative except to build up its collective strength.

2. That the statement be issued by the Secretary himself with a minimum of delay. [3]

3. That friendly governments—especially those of Western Europe and particularly the UK, France and Italy—be discreetly encouraged to make similar statements.

4. That the Department's statement be fully exploited by all official media of information.

5. That after the conference is over every effort be made to utilize and exploit the statements and services of any disillusioned or

[3] The source text at this point includes the following handwritten addition, presumably by Barbour (EUR/EE): "after appropriate consultation with the British etc."

disgruntled participants and that such defection be discreetly stimulated wherever possible.

*Background:*

1. The proposed international economic conference has its origins in the Soviet-sponsored World Peace Council, the top Communist front-organization devoted to the dissemination of fraudulent Soviet "peace" propaganda. It is one of a series of specialized international conferences, promoted by the Soviet international communist movement with a view to implementing Soviet aims and objectives, through propaganda.

2. The conference stems directly from a resolution adopted at the Berlin meeting of the WPC in February, 1951, which called for the convening of a general economic conference in the USSR. The resolution stated that "Economists, scientists, industrialists, businessmen and trade unionists of all countries will be invited." Agenda was to include primarily the improvement of living conditions and international trade.

3. Convocation of the conference has been delayed and Communist publicity now indicates that it is to be held late in 1951, probably in December. Professor Oskar Lange, former Polish Ambassador in Washington, appears to be in charge of preparations. He is currently endeavoring to establish an "International Initiating Committee" of some 35–40 persons from about ten countries which would sponsor and call the conference as well as prepare its agenda. [4] Preparations for the Moscow meeting are now under way on a world-wide basis.

---

[4] In a circular airgram of October 2, 2:40 p.m., to diplomatic and consular offices, the Department of State reported that during the preceding several weeks copies of letters had been received on the projected International Economic Conference to be held in Moscow addressed to several different Americans by Oskar Lange. Lange used as his address the headquarters of the World Peace Council in Praha, Czechoslovakia. Lange's letters, which were almost identical in form and content, invited the addressees to attend the conference, described its organization and purpose, and included the names of persons who had reportedly agreed to serve on the conference's Initiating Committee. The airgram quoted paragraphs from one of the letters. (561.00/10–251) One of the letters under reference above, addressed to James P. Warburg, was sent to Secretary Acheson by Warburg on August 21. In a reply of August 29, Acheson acknowledged receipt of the copy of Lange's letter and commented upon it in part as follows:

"Past experience with meetings or conferences inspired and organized by the Communists makes it exceedingly doubtful whether such a 'private and independent' conference could genuinely provide for a businesslike, serious discussion and interchange of views on concrete subjects of economic and business relations without degenerating into a sounding board for Communist political and economic propaganda. Our preliminary view therefore coincides with yours that little could be achieved by this conference except to promote Soviet objectives." (398.00–MO/8–2951)

4. In a strenuous effort to obtain distinguished non-Communist participation, the conference is being promoted without the customary Communist vituperation. Publicity attending it reflects rather sweet reasonableness and a Soviet "spirit of negotiation". Spokesmen have thus emphasized that it will be entirely independent of WPC auspices and that there will be complete freedom of discussion. An effort will supposedly be made to agree on reasonable measures that can be carried out within the framework of existing systems and assurances are given that no attempt will be made to separate the European countries economically from the US. The conference is enthusiastically described as an opportunity to make a "real contribution to relaxation of current international tensions."

5. Despite these assertions it has become apparent that this meeting will inevitably become another sounding board for Soviet propaganda. In this connection it is interesting to note that the USSR Peace Committee (an affiliate of the WPC) will be host to the conference when it meets in Moscow.

6. Although the "International Initiating Committee" is formally charged with preparation of the agenda, there are definite indications that the conference will become a stage for Soviet proposals designed to embarrass current US foreign policy. Discussion will apparently promote the theme of "peaceful coexistence" and the fiction that restrictions in East-West trade are a *cause* rather than an effect of existing international tensions.

*Soviet Objectives:*

It is evident that the main purpose of the USSR in organizing the proposed Moscow conference is to advance and publicize economic arguments in support of its "peace" offensive. These arguments seek to weaken the unity of purpose of the Free World and to weaken its support of policies and programs vigorously promoted by the US. They aim to split Western Europe from the US on the issues of East-West trade and rearmament, and finally to split non-Communist peoples from their governments.

The conference is directed principally at public opinion in Western Europe where critical currents like the opposition of Bevan's rebel group or the latent "neutralism" in some French and Italian circles may be bolstered in their resistance to the current armament program. Generally it is aimed at all those throughout the world who are concerned with maintaining and improving current living standards.

As indicated previously, an important tactical objective of the Moscow meeting is to lure a maximum number of prominent non-

communist Western economists to attend the conference in order to give it an air of respectability.

*Discussion:*

1. The US Government has sought consistently to expose the true character of the fraudulent Soviet "peace" offensive and to discredit its propaganda themes and projects. The very fact that Communist publicity endeavors to dissociate the Moscow conference from the WPC indicates that counter propaganda identifying and discrediting the various Soviet-sponsored "peace" fronts has achieved a certain measure of success.

2. The US should expose the conference for what it is—another Soviet-sponsored campaign aimed at the very foundations of the NATO program. The US cannot afford to leave unchallenged the misleading ideas which the conference will publicize and promote, nor can it appear to be indifferent to non-official US and allied participation. Such participation would appear to lend substance to Communist claims that public opinion in the NATO countries is seriously divided on the issues of rearmament and East-West trade. Furthermore, participation by respected Western personalities would refute our exposition that this is just another Communist propaganda phenomenon.

3. Western participation should therefore be firmly discouraged. However, in view of the economic difficulties which many Western European countries are presently facing, initiative in this matter is not likely to be taken by allied governments in Western Europe.

4. There are indications that a number of professional economists and businessmen, both here and in other non-Communist countries, are confused concerning the true nature and purposes of the conference. It is important, therefore, for the US Government publicly to state its position on the Moscow meeting before these reputable individuals have committed themselves to acceptance.

5. In order to present a unified front in this matter, it would be useful to encourage other friendly governments, particularly those of the NATO countries, to issue similar statements denouncing the conference. This they could do more easily after the US had taken the lead. These statements would discourage serious and patriotic Western economists and businessmen from attending the Moscow meeting, although they would admittedly not prevent attendance by Communists and fellow-travelers.

6. Although it would be convenient to introduce an element of opposition into the meeting through the presence of reliable Western delegates, there is little possibility that such a move could be successfully achieved, particularly in view of known communist ability to maintain rigid control over procedure and communica-

tions in meetings held in their home areas. Furthermore, it would be almost impossible to obtain reliable participants willing to assume public condemnation for attending and their presence would greatly weaken our efforts to brand the conference as a purely Communist affair.

---

## No. 643

760.00/8–1751: Airgram

*The Secretary of State to the Embassy in Sweden* [1]

CONFIDENTIAL WASHINGTON, October 13, 1951.

A–108. Reference is made to the Embassy's telegram 241 of August 17, 1951 [2] concerning recent press despatches reporting the contemplated deportation to Sweden of 200 Baltic refugees who have arrived in the United States illegally from time to time during the past few years having crossed the Atlantic in small boats. The Embassy advanced a number of compelling reasons why these people should not be deported from the United States to Sweden and urged that the Department lend its full support to legislation permitting them to remain in this country.

The Department concurs fully with the Embassy's position that the deportation of these refugees to Sweden is undesirable for the reasons advanced in the telegram under reference. The Department considers, moreover, that such deportation action on the part of the United States might gravely prejudice the continuing efforts of United States missions in other European countries, vis-à-vis the local authorities, to secure asylum for political refugees fleeing to such countries. It would likewise complicate our efforts in the United Nations in connection with this and related objectives in the field of refugees.

The Department agrees that the foregoing reasons would justify the Department's support of legislation permitting these persons to remain permanently in the United States, if it became evident that such were required in fact to preclude their deportation. On the other hand, since the Department's support of such legislation could be construed as condoning the illegal entry of aliens into the United States, it appears that such support should be rendered only if clearly necessary. The Embassy will appreciate that the Im-

---

[1] Drafted jointly by Johnson (EUR/EE) and Dawson (UNA/R) and cleared by Revey (P/POL), Trueheart (R), Alexander (VD), Ringland (E/VFA), and Ronhovde (BNA). Dawson signed for the Secretary of State.

[2] Document 637.

migration and Naturalization Service has no authority to permit the continued stay in the United States of persons illegally therein, and under pertinent United States law must arrange and carry out the deportation of such persons either to the country of their last residence, or to their country of nationality, or to some third country willing to receive them as immigrants. (However, the deportation to Communist dominated countries of persons who have fled therefrom and who would face persecution if returned thereto is precluded by Section 23 of the Internal Security Act.) No less than six private bills plus one joint resolution, each designed to provide permanent residence for part or all of these Baltic refugees in the United States, are now under consideration by the Congress. The Department has been advised informally by the Immigration and Naturalization Service that it will not proceed with deportation proceedings against the individuals in question until the Congress has acted on the legislation which has been introduced.

The Department believes that the best course of action in this matter for the present is to allow the pending legislation to be handled in a normal way. It is further believed that, in the event that sufficient legislation cannot be secured to insure immigration status for all of the concerned persons, the Department would be able to stimulate appropriate and sufficient action on the part of certain private American welfare agencies to bring about acceptance of these persons for resettlement in other countries in the Western Hemisphere. Such a solution, in the absence of appropriate legislation, would be welcomed by the Immigration and Naturalization Service. The Department would be prepared to approach Congress formally in support of such legislation if at any time it should develop that such legislation were the only alternative to deportation to Sweden.

The brief but unfortunate publicity which accompanied the renewed consideration of these cases is regrettable. It appears, however, that nothing is to be gained at this time by issuing or inspiring counter-publicity which would have little basis in fact until such time as legislation may permit the Baltic refugees to remain permanently in this country. Favorable publicity is almost sure to accompany the passage of legislation on these cases.

In this connection, the Department continues to hear rumors that Baltic refugees in Sweden are outfitting considerable numbers of small boats for the purpose of travelling to and entering the United States illegally. On the other hand, the Latvian Chargé has stated that a trusted informant in Sweden advised him recently that such boats were outfitted and kept in readiness only for the purpose of escaping from Sweden in the event that Soviet armies overran that country. The Department would appreciate being ad-

vised of whatever information the Embassy may have concerning this situation.

ACHESON

---

## No. 644

398.00-MO/10-1851

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)*

CONFIDENTIAL [WASHINGTON,] October 18, 1951.

Subject: Soviet-sponsored Economic Conference Scheduled to be Held in Moscow December 1951

Participants: Mr. Gontran de Juniac, Counselor of the French Embassy;
Mr. Walworth Barbour, Director, Office of Eastern European Affairs.

Mr. de Juniac called by appointment, made at his request, and stated that he had been instructed by Paris (1) to inform the Department of the French attitude toward the economic conference sponsored by the Soviets and scheduled to be held in Moscow sometime in December, [1] and (2) to ascertain the US position in that connection.

The French feel that it will be undesirable for them to take the type of measures utilized in the case of the Berlin Youth Congress to prevent delegates from France attending the Moscow conference. Their feeling is that the measures taken on that prior occasion were not very effective and that in the present case governmental restrictions on the delegation would be inconsistent with French principles.

They appreciate that there are two possible lines to adopt: (1) to condemn the conference for what it is and to attempt to dissuade the anti-communists from attending, or (2) to endeavor to infiltrate the conference with anti-communists for disruptive purposes. The French position is along the first line and they point out that in any case the majority of the non-communists from France invited have already declined the invitation.

---

[1] Regarding the projected Moscow Economic Conference, see the circular airgram, Document 638.

I told Mr. de Juniac that the Department is still considering its position in the matter and that I would let him know as soon as there are any developments. [2]

[2] Barbour called French Embassy Counselor Begougne de Juniac to the Department of State on October 24 and explained to him the American position on the projected Moscow Economic Conference as set forth in telegram Todep 261 to London, *infra*.

## No. 645

740.5/10-2251: Telegram

*The Secretary of State to the United States Deputy Representative on the North Atlantic Council (Spofford), at London* [1]

SECRET WASHINGTON, October 22, 1951—8:01 p.m.

Todep 261. For Spofford and Embassy. Dept requests you raise for discussion in CD question of best method handling Moscow econ conference scheduled for Dec (ref Paris tel 2142 Oct 11, rptd London 528; [2] Paris [*Rome*] tel 1713 Oct 15, rptd London 163 [3]). Conference has its origin in the Sov sponsored World Peace Council, principal Commie front org for Sov "peace" offensive, and it is clear despite Sov emphasis on "objective" nature proposed conference that basic purpose is propaganda.

Dept wishes matter discussed in CD both because line of action adopted clearly more effective if all NATO countries following roughly same tactics and also as useful post-Ottawa evidence of our desire develop NATO as forum where this type question can be discussed.

[1] Drafted by Camp (EUR/RA) and Barbour (EUR/EE), cleared by Byington (EUR/WE), Haselton (EUR/BNA), Smith (EUR/EE), and Mellor (EDS), was concurred in by Bohlen (C), and signed for the Secretary by Bonbright (EUR). Repeated to Paris, Rome, and Moscow.

[2] In telegram 2142 the Embassy reported having been advised by the French Foreign Ministry that several French economists were playing roles in organization of the planned Moscow Economic Conference and that 50 or more French industrialists, bankers, trade unionists, public officials, and journalists had been invited to attend the Conference. The French Government sought discreetly to discourage attendance by French citizens at the conference. As already discussed by Begougne de Juniac with Barbour on October 18 (see Barbour's memorandum of conversation, *supra*), the Foreign Ministry saw two possible courses of action in connection with the conference. (561.00/10-1151)

[3] Telegram 1713 commented on the French proposals for joint U.S.-French-British consultations on the projected Moscow Economic Conference. It warned that limitation of consultations to the "Big Three" would invite resentment and produce feeble support if not actual opposition among other Western countries. The Embassy noted that the trend toward "Big Three" dictation was generally harmful to Western interests and interest in NATO objectives. (740.5/10-1551)

We therefore suggest that Spofford outline to CD US view that in accordance action we have taken previously on conferences this kind, best course is to issue calm factual statements exposing conference for what it is and to make known our attitude to private individuals considering attendance. If despite such knowledge, individuals still desire attend, we wld not place particular obstacles their path except as already required by law, regulation or practice. Statements might point out connection between proposed conference and World Peace Council, expose hollowness of WPC activities, emphasize fact that if Bloc countries genuinely interested in objective discussion internatl econ problems adequate UN orgs already in existence, cite examples of Russian unwillingness discuss substantive econ problems in these bodies and fact that USSR does not even participate in certain UN econ orgs, e.g. Bank, Fund. It might be suggested to prospective anti-Commie invitees that they could no doubt ascertain nature conference by inquiring sponsors' attitude toward various criteria genuinely free gatherings such as guarantee of access to floor during mtgs, assurance that voting wld be by individuals rather than by delegations and assurance that Western newsmen wld be given right to cover conference and send uncensored reports.

You can add that we have considered alternative line of approach which might be to encourage attendance at conference of a number of competent and reliable persons who wld not only seek to counteract Commie propaganda at conference, but wld be in a position effectively to condemn the conference afterwards by citing from first-hand experience, but we believe successful handling such approach unlikely in circumstances under which conference to be held.

A point which may be useful in discussion of means of counteracting propaganda value of conference is fact we understand no invitations have been sent any Yugos. We wld appreciate any info on this point other countries may have.

Comments from Rome, Paris, London, and Moscow Embs wld also be appreciated.

ACHESON

## No. 646

398.00-MO/10-2451: Telegram

*The Chargé in the Soviet Union (Cumming) to the Secretary of State* [1]

SECRET Moscow, October 24, 1951—3 p.m.

705. Ref Deptel 288, Oct 22, sent London Todep 261, rptd Paris 2364, Rome 1813. [2] Emb agrees desirability similar action on NATO countries re attendance Moscow Economic Conf and with Dept program outlined para three reftel. True nature "peace campaign" now sufficiently well known in West so that reputable people in West who might otherwise consider attendance MEC would be unlikely do so if close connection conference with Sov manipulated peace campaign made clear. It is particularly important that invitees insofar as possible arrive at independent decision not attend conference.

Emb recommends that passports persons otherwise entitled same not be withheld solely by virtue proposed attendance MEC. Such overt interference would provide Sovs excellent propaganda platform and would undoubtedly redound our disadvantage.

Opinion of Brit Emb here toward conf and means handling it much the same as ours. They particularly reluctant consider possible padding of representation at conf. They feel there is considerable number middle ground economists and businessmen whose views re East-West trade restrictions considerably at variance with ours who might find offers of goods from Eastern Europe very attractive with net result that Brit Govt wld be under even greater pressure permit shipments critical items such as rubber. These same people living in usual plush conditions Sov Govt makes available to invited foreigners unlikely see through facade "progress" Soviet nation during their stay in Moscow.

CUMMING

[1] Repeated to London, Paris, and Rome.

[2] *Supra.*

## No. 647

740.5/10-2351: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom* [1]

CONFIDENTIAL WASHINGTON, October 26, 1951--6:43 p.m.

2211. Ref Depto 495 Oct 23. [2] As you will recall problem protecting Western natls in Eastern Eur placed on agenda recent Tri Mins' mtg Wash. [3] Since discussions fell behind schedule not possible take up certain items including this one.

Dept continues attach great import this matter and feel it is of common interest all Western countries. Oatis case and arrest and trial Pintori, clerk at Ital Leg Bucharest, by Rumanian auths, represent most flagrant mistreatment Western natls and official reps by Eastern Eur satellite regimes. [4] West is faced in such cases with sheer acts of provocation which, having nothing to do with justice, are intended only serve polit purposes Commie states. If these acts are not halted by strong action on part West, Commie regimes will only be encouraged commit even bolder offenses designed destroy prestige West, harass Western Dipl Missions, and terrorize their own natls. In these circumstances US has initiated series vigorous unilateral measures connection Oatis case, such as prohibition private travel of Amer citizens to Czecho, pressing case in Econ and Soc Council, embargo on exports, and drastic discouragement imports, planned exert increasing pressure on Czech auths. It has also concerted with other interested countries joint action as in suspension permission for Czech Airlines overfly Western Ger. This Gov has also taken the lead in endeavor have the Western countries demonstrate to Rumanian Gov case Pintori is of interest to each of them and express their opposition to such action by appropriate parallel representations.

---

[1] Drafted by Vedeler (EUR/EE) who apparently cleared it with Barbour and Higgs of EUR/EE as well as with Stuart (CON) and Parsons (EUR/RA).

Secretary Acheson was in Paris, for the Sixth Session of the U.N. General Assembly, and in Rome, for the Eighth Session of the North Atlantic Council.

[2] In telegram Depto 495 Ambassador Spofford reported that at the previous day's meeting of the North Atlantic Council Deputies he had suggested the topic of protection of North Atlantic Treaty country diplomats and nationals in Eastern Europe be considered by the Council Deputies for an early exchange of views. Spofford asked for instructions. (740.5/10-2351)

[3] The U.S., British, and French Foreign Ministers met in Washington, September 10–14. For documentation on the meetings, see vol. III, Part 1, pp. 1163 ff.

[4] For documentation on the arrest and trial in Czechoslovakia of Associated Press correspondent Oatis and measures taken by the U.S. Government in response, see Documents 670 ff. For documentation on U.S. reaction to the arrest and trial in Romania of Italian Legation clerk Pintori, see Documents 754 ff.

Dept believes Western countries have too often in past failed deal effectively with these cases because they have been prone consider arbitrary arrest and unexplained imprisonment as natl problem and rely on unilateral dipl reps and reprisals. They have been willing in certain cases utilize polit measures in defense their natls such as closing Commie consular estabs or expulsion natls of Eastern Eur countries. They have been reluctant use econ sanctions for fear counter retaliation interfering with essential trade and fulfilment trade agreements, compensation for natlized property and payment other obligations by Commie Govs.

Western countries have apparently been deterred from taking retaliatory measures support country of primary interest in given case or from participation in any extensive joint reprisals by (1) belief indiv incident is of practical importance only to country involved; (2) insuff recognition these incidents as acts force combined with feeling accused natl or official may be guilty to some degree; and (3) concern not to "rock the boat".

US strongly believes it essential make more effective by joint or parallel action efforts Western states protect their natls and official reps in Eastern Eur from arbitrary arrest and imprisonment. Our objectives are to:

(1) Obtain recognition principle these Commie provocations against Western natls are a concern to all members Western community;

(2) Obtain in approp cases application this principle in form joint or parallel reprisals in order demonstrate arbitrary arrest Western natls by Commies is an unprofitable undertaking;

(3) Uphold prestige West gen in face such Commie provocations.

In order advance these objectives you are requested bring this problem and US views connection with it before Deputies in whatever form you may consider in your discretion most approp. We shld like to see agreement in fol sense adopted:

"That unjust arrest and imprisonment as well as unexplained disappearance their natls in Eastern Eur is matter of joint concern to all members NATO and it is in their mutual natl interest to stem and, if possible, prevent recurrence such incidents;

That to this end NATO states shld reinforce unilateral action they may take in indiv cases by common or similar measures, both polit and, where advisable, econ; and

That NATO states undertake to consult in appropriate cases with view to effective implementation this principle."

Realize (reftel) you proposed "exchange of views" by CD on this subj and that it might be embarrassing ask CD to take early action

along foregoing lines. We therefore leave it you to judge how far it is possible to go at this time. [5]

WEBB

[5] Despatch 2039 from London, November 2, replied to this telegram that part of the difficulty in obtaining agreement on the principle of joint or parallel action for the protection of Western nationals in Eastern European countries was the view of some of the members of the Council Deputies, such as the United Kingdom, that support was lacking in international law for demands of release or for the exercise of other claims to protection on behalf of Western nationals arrested and sentenced in Eastern European countries. The Embassy requested an opinion from the Department of State on the legal point at issue. (740.5/11-251)

## No. 648

740.5/10-3051: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Acting Secretary of State* [1]

[Extract]

SECRET LONDON, October 30, 1951—1 p.m.

Depto 528. Deps 75th mtg Oct 29.

. . . . . .

3. Some deps without instructions [2] but most agreed with US, UK, Fr and Neth that origins of Moscow econ conf in World Peace Council and Sov failure to use existing econ orgs indicate it is purely propaganda move, aimed at securing non-Commie signatures to anodyne resolution, emphasizing "peaceful coexistence" and E-W trade, and UK suggested, possibly aimed at creation of org to rival OEEC. Deps will discuss further but generally agreed best policy is to discourage attendance and expose nature of conf. [3]

. . . . . .

SPOFFORD

[1] Repeated to the other NATO capitals, Frankfurt, Heidelberg, and Wiesbaden.

[2] Telegram Depto 506 from London, October 25, reported that the North Atlantic Council Deputies, at their 73d meeting on October 24, reacted generally favorably to the U.S. suggestion that the Moscow Economic Conference be the subject of an early discussion after the Deputies had obtained the views of their governments. (740.5/10-2551)

[3] A paraphrase of this paragraph was transmitted in a circular information telegram of October 31. (700.00(S)/10-3151)

## No. 649

601.60C62A/10–3151

*Memorandum of Conversation, by Valdemar N. L. Johnson of the Office of Eastern European Affairs*

SECRET [WASHINGTON,] October 31, 1951.

Subject: Contemplated Estonian "missions" at Paris and Bonn.

Participants: Mr. Johannes Kaiv, Acting Consul General of Estonia in New York City in Charge of Legation
Mr. Jackson, Assistant to Mr. Kaiv
EE—Mr. Allan
EE—Mr. Johnson

Mr. Johnson referred Mr. Kaiv to the written statement accompanying the Estonian Consulate General's draft budget for 1952 [1] noting the desire to broaden the activities of Mr. Karl Selter to the point where he might in the future be "appointed" as the official Estonian representative at Bonn. Mr. Johnson explained that the Department was interested in this development principally because it apparently would pose the problem of increasing the Consulate General's budget. Mr. Kaiv was invited, therefore, to outline present plans for the establishment of representation at Bonn and at Paris, as well, because of previous indications that the Estonians wish to establish a mission in that capital also.

Mr. Kaiv stated that the Estonians did wish to establish missions both at Bonn and Paris and that they desired, if possible, to have these missions recognized as official diplomatic establishments. He observed that, of course, the official character of the missions would be a matter for determination by the French and German Federal Republic Governments, but that these Governments had shown increasing sympathy for the Baltic cause which boded well for the establishment of official missions.

He stated that Mr. August Rei, President of the Estonian National Council in Sweden, was also interested in this problem to the

[1] An Act of Congress approved April 7, 1941, entitled "An Act relating to foreign accounts in Federal Reserve banks and insured banks" (55 Stat. 131) authorized the Federal Reserve and insured banks to release funds from the blocked accounts of foreign states to their accredited representatives in the United States provided (1) the foreign state was recognized by the U.S. Government, (2) an accredited representative of such a foreign state had certified to the Secretary of State the name of a person authorized to receive blocked funds, and (3) the Secretary of State had certified the authority of such a person to receive such funds. In May 1941, a procedure was initiated for making funds available to Lithuanian, Estonian, and Latvian representatives from blocked accounts. The procedure involved the annual submission of a budget by the accredited Lithuanian, Estonian, and Latvian representatives to the Department of State.

point where he, in the name of the Council, had indulged in some preliminary moves designed to set up the contemplated posts. This development, Kaiv said, pointed up the principal difficulty, namely, the determination of the appropriate Estonian person or group having the authority to establish the missions, appoint the officers, etc. While Kaiv did not claim this authority for himself, he observed that neither Mr. Rei nor the Estonian National Council in Sweden had such powers.

Mr. Johnson said that the Department was also concerned with this problem because it did not wish to approve the appropriation of funds for the support of the missions at Bonn and Paris if a majority or even a substantial part of the Estonian emigration might subsequently disapprove of the manner in which the posts had been established. He added that the Department, therefore, hoped that the Estonian emigration would approach this problem in a spirit of unity which would indicate clearly that the emigration as a whole approved of the manner in which the missions would be established. He emphasized that the manner in which the Estonian emigration might achieve this unity was purely an internal Estonian question but that the Department would be reluctant to approve expenditures for the contemplated missions unless the Estonian emigration exhibited the desired unity.

Mr. Kaiv agreed that the Department's interest in this matter was valid. He noted that Mr. Rei had proposed that the post at Paris be filled by Mr. Alexander Warma, former Estonian Minister to Finland, and he stated his opinion that the Estonian emigration had no objection to Mr. Warma personally but that an objection would probably arise because of the fact that Mr. Warma had been proposed by Mr. Rei. He stated, therefore, that he hoped a way could be found to appoint Mr. Warma to this post without reference to the appointing authority.

At this point, Mr. Johnson reverted to the Estonian budget and reiterated the Department's desire not to increase the budget substantially until such time as the Estonian funds in the United States might be invested and yield a return sufficient to justify an increase in the budget. [2] He asked, in the event that the invest-

[2] In April 1951, Kaiv revived the issue, first raised in 1942 (see *Foreign Relations*, 1942, vol. III, p. 467), of moving his office to Washington while maintaining the Consulate General in New York. On April 19, 1951, the Department of State informed Kaiv that it appeared preferable to continue his mission in New York City in its current status, because there was no legal Estonian authority to request the establishment of a Legation in Washington and to appoint a chief of mission. The Department also stated that it was not disposed to increase the Estonian budget in order to maintain a Legation in Washington in addition to a Consulate General in New York. The Department added that such a move, "of questionable legal validity", *Continued*

ment program should yield a very small return, whether the Estonian Consulate General might wish to cut down the Estonian representation in South America for the purpose of establishing missions at Paris and Bonn. Mr. Kaiv said that this thought had also occurred to him and, that in his opinion, the Estonian representation in South America (Brazil) was becoming less and less important and that the interests of Estonia would be better served by establishing missions at Paris and Bonn at the expense of decreasing or terminating the present Estonian representation in Brazil, if necessary. Mr. Johnson asked whether, if this should take place, Mr. Kaiv would consider transferring some of the present Estonian personnel in Brazil to Paris or Bonn. Mr. Kaiv replied that Mr. Karl Ast, who is presently representing Estonian interests in Brazil, would be a very fitting representative in Paris and that he might well be transferred to that post at his present salary, thereby necessitating only a very slight change in the budget. He added, however, that he also had contemplated transferring Mr. Kaarel Pusta, Sr., from his position at the Estonian Consulate General in New York to the contemplated mission in Paris which would serve the same purpose as far as the budget was concerned. He recalled that Mr. Pusta had spent a great deal of time in France and that he undoubtedly had more personal contacts in the French Foreign Office than any other Estonian diplomat. He said, however, that Mr. Pusta seemed very reluctant to leave the United States but he added that he would again approach him concerning this possibility.

Mr. Kaiv said that he thought this whole matter could best be handled by "working quietly" with the appropriate officials in the French and German Federal Republic Foreign Offices. He did not specify the manner in which he proposed to handle the entire question but he did indicate that steps would be taken to secure the approval and support of the majority of the Estonian emigration.

Mr. Johnson stated that the Department would appreciate being kept informed of all current developments and he advised Mr. Kaiv not to implement the establishment of the contemplated missions in Paris and Bonn without the prior consultation with the Department. [3]

---

might "subject to scrutiny, and raise questions" regarding the status of all the Baltic missions in the United States. (Memorandum of conversation, April 19, 602.60B11/4-1951)

[3] Kaarel Pusta, Sr., Political Adviser to Estonian Acting Consul General Kaiv discussed proposed Estonian representation in Paris and Bonn with Vedeler and Allan of the Office of Eastern European Affairs on December 12. Pusta said he had information that the French Foreign Ministry would welcome a resumption of relations with Estonia "on a limited scale". Pusta also mentioned having been told by Italian

*Continued*

During the above conversation Mr. Kaiv confirmed information previously provided by the American Embassy at Stockholm to the effect that the Estonian National Council has lost considerable standing in the Estonian emigration in the past year. He calculated that the Council is now supported by approximately two-fifths of the Estonian emigration in Sweden and that the remainder of the emigration supports the VEKO group. He said, in this connection, that Estonians in Canada and the United States were now in the process of organizing themselves into a unified group giving allegiance neither to the Estonian National Council nor the VEKO group.

---

Foreign Minister Sforza, during a visit to Rome in 1950, that Italy might receive an Estonian representative "semi-formally". (Memorandum of conversation by Allan, December 14, 601.60B51/12-1251) Kaiv discussed the proposed Estonian representation with Allan on December 19. Kaiv reported having been informed by August Torma, Estonian Minister in the United Kingdom, that August Rei had agreed not to question the authority to appoint representatives to Paris and Bonn so long as the persons appointed were acceptable. Kaiv and Allan discussed various possible appointments. (Memorandum of conversation by Allan (EUR/EE), December 19, 601.60B51/12-1951)

## No. 650

611.60C62A/11-651

*Memorandum of Conversation, by Valdemar N. L. Johnson of the Office of Eastern European Affairs*

SECRET [WASHINGTON,] November 6, 1951.

Subject: Desire to establish Latvian "mission at Bonn and Paris".

Participants: Mr. Jules Feldmans—Chargé d'Affaires of Latvia.
EE—Mr. Johnson
EE—Mr. Allan

Mr. Feldmans called at the Department's request. Mr. Johnson explained that the Department's representatives had recently discussed with his Lithuanian and Estonian colleagues [1] their desires to establish "missions" at Paris and Bonn and that the Department desired as well to discuss with him such plans as the Latvians might have for establishing similar representation. It was pointed

---

[1] Regarding the discussions under reference with Estonian Acting Consul General Kaiv, see Johnson's memorandum of conversation, *supra*. During a call on officers of the Department of State on October 22, Lithuanian Minister Zadeikis stated that he had received an "indication" that the German Federal Republic would be prepared to accept a Lithuanian representative at Bonn "in the not too distant future". (Memorandum of conversation by Johnson (EUR/EE), October 22, 601.61D11/10-2251).

out that the Department was interested in this matter principally because whatever representation might be established would probably draw its financial support from Latvian funds blocked in the United States which are released with the approval of the Department. It was added that the Department had a further interest because of the responsibilities devolving upon the United States as one of the occupying powers in Germany.

Mr. Feldmans replied that he recognized the Department's interest and that he would be happy to inform us of Latvian plans in this connection.

He then referred to previous conversations between himself and EE—Mr. Vedeler on this subject. He stated that, during this conversation, he had shown Mr. Vedeler a copy of the attached *aide-mémoire* setting forth the basic views of the Latvian Legation on this question. [2] He said that he had now re-dated the *aide-mémoire* to bear today's date and that he wished to leave it at the Department "informally".

He went on to say that the Latvian Minister in London, Mr. Zarine, had discussed this problem with the Chargé d'Affaires of the German Federal Republic in London and that the latter had recently been handed a formal communication requesting the views of the German Federal Republic on the question of accepting Latvian representatives at Bonn. According to Mr. Feldmans, the German Chargé d'Affaires had promised to transmit this communication to his Government with a request for a speedy reply.

Mr. Johnson asked Mr. Feldmans whether, in his opinion, the extraordinary powers granted to Minister Zarine by the last Government of Latvia were broad enough to provide authority for establishing a mission at Bonn and, if so, whether it was anticipated that any substantial part of the Latvian emigration might question or oppose Zarine's authority to establish the mission, appoint its officers, etc.

Minister Feldmans replied that, in the Latvian view, the extraordinary powers did cover this matter and that no trouble was anticipated from any important part of the Latvian emigration. He did observe that if any trouble at all did result, it would come from Mr. Bruno Kalmins, prominent Latvian refugee now residing in Sweden, but that such opposition as might be offered by Kalmins would be relatively unimportant because he had little or no support in the Latvian emigration.

In response to a question by Mr. Johnson as to how the German Federal Republic might regard Zarine's extraordinary powers, Mr. Feldmans stated that no formal opinion had as yet been expressed

[2] Not printed.

by the Bonn authorities but that the attitude of those officials appeared to be favorable.

In response to a query as to the exact type of representation envisaged for Bonn, Mr. Feldmans stated that the Latvians, of course, would like to establish a full fledged diplomatic mission but that this was a matter for determination by the German Federal Republic. Mr. Feldmans stated that the Latvians would be satisfied with "any kind of representation" and he intimated that the Germans would be most likely to suggest the appointment of some sort of consular representative.

Mr. Johnson informed Mr. Feldmans that the Department would appreciate being kept in close touch with the developments in this situation and he suggested that it would be desirable for the Latvian Legation to consult with the Department before making any final arrangements in this matter. Mr. Feldmans agreed that the suggested course of action was advisable and he stated that he appreciated the Department's interest in this matter. He emphasized that the Latvians would appreciate any influence which the US might bring to bear on the German Federal Republic with a view to securing favorable action on the Latvian request.

Mr. Johnson then asked Mr. Feldmans whether it was also desired to set up a mission at Paris. Mr. Feldmans replied that this was under consideration but he indicated that the plans had not proceeded as far as in the case of Bonn. [3]

---

[3] In July and again in September 1951, Johnson discussed with officers of the Australian Embassy Chargé Feldman's proposal for the establishment of a Latvian representative in Australia. The Australian Government perceived no objection to permitting a Latvian representative to function in Australia provided that such a representative would hold the nondiplomatic title of "secretary" to the Latvian Honorary Consul in Canberra. (Memoranda of conversation by Johnson, July 25 and September 6, 643.60C/7-2651 and 602.60C43/9-651)

---

## No. 651

398.00-MO/11-651: Telegram

*The Chargé in the Soviet Union (Cumming) to the Acting Secretary of State* [1]

SECRET Moscow, November 6, 1951—7 p.m.

784. Emb believes Moscow international econ conf recently rescheduled for April 1952 is more than "purely propaganda move" (Depintel Oct 31, 1951, 3 a.m. [2]). Sponsors of course have propagan-

---

[1] Repeated to Paris, London, and Rome.

[2] Not printed, but see footnote 3, Document 648.

da aims high in mind but hope for definite results in drive to relax trade restrictions on Sov orbit. Recurring postponements of meeting probably reflect Sov appreciation that conf would likely fail in objective unless roster includes more representative elements than so far recruited. Evidently still hope find more businessmen personally anxious restore Sov orbit ties, as well as economists, labor leaders and neutralists spokesmen who for ideological, moral or sentimental reasons support East-West trade proposals. Participation such elements from West Eur countries causing some govts concern precisely because net result would be augment public pressures at home ship critical items (Embtel 105 [*705*?] , Oct 24, rptd London 193 [*103*?] , Paris 204, Rome 30, cited Brit Emb views in this connection [3]). If Sovs fail use existing international orgs it is because Sovs recognize them as insufficiently susceptible to pressure and feel past efforts manipulate them have been barren. Thus Moscow international conf would strive build up public pressures particularly within WE countries, as long as international orgs dominated by WE govts judged unfriendly to Sov trade proposals.

Emb agrees with conclusion NATO Deputies that best policy now is unified campaign discourage attendance and expose nature of conf to minimize reaction useful to Sov interests outside Commie and peace partisan groups. Obviously West approach should not be merely negative. Without ref to Moscow conf we should at UN, ECE, OEEC and elsewhere repeatedly set forth positive record of our own long-range world-wide trade liberalization aims, application of which impossible as long as Sov orbit strives for econ autarchy and promotes international tension.

CUMMING

[3] Document 646.

## No. 652

761B.00/10-3051

*Memorandum by David H. Henry of the Office of Eastern European Affairs to Robert G. Hooker of the Policy Planning Staff* [1]

CONFIDENTIAL [WASHINGTON,] November 9, 1951.

Subject: Radio Free Europe

Attached are a letter to the Department from the Ukrainian National Council, protesting against a Radio Free Europe broadcast

[1] Drafted by Boster (EUR/EE).

on the subject of Poland's eastern frontier, and a copy of the broadcast in question which you secured from NCFE. [2]

You will note that the Council's complaint is based on a misunderstanding of what the RFE actually said in its broadcast of March 22. The Council alleges that the National Committee for a Free Europe declared that "nothing prevents the restoration of Poland's eastern frontiers of 1939" and that the State Department "has the same opinion" but for tactical reasons has not yet expressed it.

In fact, the broadcast simply stated that the Yalta provisions on the Polish boundary are no longer binding on the United States in view of Soviet violation of other clauses of the Yalta agreement, that therefore the United States Government should be free to reopen the Polish eastern frontier question at any time, and that representatives of a liberated Poland should be given an opportunity to advance their frontier claims at some future peace conference at which these claims would be finally settled. Far from associating the State Department with this opinion, the broadcast stressed that RFE in no sense could speak for the Government.

Notwithstanding the fact that the Council's complaint is based on an almost complete misunderstanding of the broadcast, this may be a good example for RFE of how to make enemies without winning any friends. Insofar as this broadcast gives Polish listeners the impression that the United States favors a redrawing of the Polish eastern frontier in Poland's favor, it must give Ukrainian listeners the impression that such a revision will be at Ukrainian expense. And although RFE emphasizes that it does not speak for the Government, it seems difficult for European *émigré* groups to believe that our private American committees don't reflect official views.

In view of the above, we believe RFE operations might be more successful if boundary questions of this kind were avoided.

---

[2] Neither printed.

## No. 653

601.01/10-2351

*The Acting Secretary of State to the Italian Ambassador (Tarchiani)*

The Acting Secretary of State presents his compliments to His Excellency the Ambassador of Italy and has the honor to acknowledge the receipt of the Ambassador's communication of October 23,

1951 [1] in which he informed the Secretary that the Italian Government has for reasons of reciprocity decided to adopt measures restricting the liberty of movement of members of the diplomatic representations of certain Eastern European countries.

As the Ambassador is aware the United States Government, also on a reciprocal basis, applied travel restrictions to members of the Rumanian Legation and their families, effective May 22, 1950. [2] Similar restrictions have been extended to apply to the staff of the Hungarian Legation and their families as a result of limitations placed by the Hungarian Government on the travel of the staff of the American Legation in Budapest. [3]

The United States Government believes the application of such restrictions on a reciprocal basis to be a sound means of impressing upon the governments which initiated this policy that they may not violate diplomatic customs and courtesy with impunity. The United States Government is pleased to learn that the Italian Government has taken retaliatory action.

WASHINGTON, November 9, 1951.

---

[1] The note under reference stated that the measures adopted by Italy on October 5 required Hungarian and Romanian diplomats and members of their families to obtain special authorization to travel beyond a zone which included the city of Rome, a portion of the Italian coast, the province of Rome, and portions of the provinces of Latina, Frosionne, and Viterbo. (601.01/10-2351)

[2] Regarding travel restrictions imposed in October 1950 upon members of the Romanian Legation, see the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1072.

[3] Regarding the reciprocal restrictions imposed upon U.S. and Hungarian diplomats in January 1951, see Documents 724 ff.

---

## No. 654

*Editorial Note*

On November 16, Ambassador Warren R. Austin, United States Representative at the United Nations, transmitted to United Nations Secretary-General Trygve Lie the first installment of the evidence in the possession of the United States proving the willful and systematic violation by the Romanian Government of its obligations under the treaties of peace to secure freedom of expression and press and publication in Romania. The evidence was published in *Evidence of Violations of Human Rights Provisions of the Treaties of Peace by Rumania, Bulgaria, and Hungary*, volume I, *Violations by the Rumanian Government*, Department of State publication 4376. This evidence was transmitted to the United Nations pursuant to the resolution adopted by the United Nations General Assembly on November 3, 1950, which condemned the Govern-

ments of Romania, Bulgaria, and Hungary for refusing to join in establishing commissions as provided under the treaties of peace. For the statement issued to the press by the Department of State on November 16 at the time of the release of the evidence, see Department of State *Bulletin*, November 26, 1951, page 867.

---

## No. 655

940.40/11-1851

*The Acting Secretary of State to the Secretary of Defense (Lovett)* [1]

SECRET [WASHINGTON,] November 16, 1951.

MY DEAR MR. SECRETARY: As the Department of Defense is aware, the United States, in fulfilling its responsibilities incident to the occupation of Germany and Austria and because of the existing political situation, either conducts or sponsors numerous broadcasting services in those countries. The services conducted by this country are "Radio in the American Sector" (RIAS), Berlin, and the "Voice of America" (VOA) in Munich as well as the "American Forces Network" (AFN) in Germany and the "Blue Danube or American Troop Network" (BDN) in Austria. "Radio Free Europe" (RFE), a private enterprise, [2] conducts its broadcasting operations from several locations in the American Zone of Germany and, additionally, the United States has been a strong advocate of decentralized broadcasting in the several *Laender* in the American Zone of Germany as well as in Austria.

In 1948 the countries of the European regime met at Copenhagen and drafted a broadcasting Agreement, which assigned medium wave frequencies for use in Europe. [3] The Agreement is notewor-

---

[1] Drafted by Nesbitt (TRC/TD) and cleared in draft with WE, GAI, IE, PRS, IBD, and S/P.

[2] For the formal definition of the relationship of RFE to the U.S. Government, see Foreign Service Information and Educational Exchange Circular No. 14, Document 658.

[3] A European Regional Broadcasting Conference was held in Copenhagen in 1948 to develop a plan for the assignment of radio broadcasting frequencies in Europe. U.S. observers were admitted to the conference but were not given an opportunity to present the frequency requirements for the U.S. areas of occupation. The Copenhagen Conference developed a frequency assignment plan which was inadequate for the essential requirements of the United States as an occupying power in Germany. The United States formally entered a reservation at the Copenhagen Conference to the effect that the United States would be unable to implement the allocation plan agreed upon by the majority of the countries at the conference. For documentation on U.S. efforts in 1950 to find ways and means of continuing the operation of the Voice of America after the Copenhagen Conference plan was put into effect in March 1950, see *Foreign Relations*, 1950, vol. IV, pp. 266 ff.

thy in that it did not provide a sufficient number of frequencies to carry on the essential broadcasting services, enumerated above, despite strong United States representations prior to and during the conference. Subsequent to the conference, the United States endeavored to negotiate with the friendly European powers for the use of frequencies to meet its requirements but to little avail. Therefore, in order to continue United States or U.S.-sponsored broadcasting services this country was forced to share frequencies assigned to other countries under the terms of the Copenhagen Convention with or without the acquiescence of the countries to whom those frequencies were assigned. In pursuing the policy of frequency sharing, the United States endeavored, through the medium of directional antennas and reduced power, to protect the broadcasting services of the countries with whom those frequencies were shared within their primary service areas. That policy applied to Eastern as well as Western countries.

There are 121 bands or frequencies allocated by the Copenhagen Convention for medium wave broadcasting in Europe. Of those bands or frequencies the United States or U.S.-sponsored services are already sharing frequencies as listed below:

| *Service* | *No. of Transmitters* | *Frequencies Shared* |
|---|---|---|
| RIAS—Berlin | 1 | 1 |
| RIAS—Hof | 1 | 1 |
| VOA—Munich | 1 | 1 |
| VOA—Salonika | 1 | 1 |
| German *Laender* | 9 | 9 |
| AFN | 25 | 14 |
| BDN | 5 | 5 |
| RWR | 3 | 3 |
| AFS—Trieste | 1 | 1 |
| RFE | 1 | 1 |

Because of the jamming by Soviet or Soviet-sponsored transmitters of the "Voice of America" programs and others, the National Security Council in Document No. 66 [4] and subsequent documents clearly pointed out the necessity for an intensification of our psychological warfare program and directed the VOA to intensify its programming to the Soviet Union and its satellites by means of more powerful transmitters. Current plans call for the construction of a megawatt transmitter in or in the vicinity of Munich and another on the island of Rhodes. It is also intended to split the VOA operation in Munich (two 150 kilowatt transmitters hooked in tandem known as Dumbo) and program each transmitter separately. Additionally, RFE, which is presently broadcasting from Munich to the satellite countries, is being jammed and that organization has informed the Department that it would like to install additional transmitters with high power. Frequencies for all these operations are urgently required but due to the fact that the United States has pursued the policy of frequency sharing, to the maximum within the terms of the policy heretofore outlined, frequencies are not available to satisfy the VOA and RFE requirements.

Soviet jamming is not restricted to the operations of the VOA and RFE alone. It is interfering with indigenous German broadcasts and the U.S.S.R. is in the process of constructing a super power transmitter in Berlin as well as a jamming installation in the Soviet Zone of Germany, the purpose of which is thought to be to jam German FM broadcasts and possibly United States military point-to-point services operating in the VHF bands.

In view of the present jamming situation and progress being made by the U.S.S.R. and its satellites to intensify the jamming program, it is urgent that immediate consideration be given to ways and means of satisfying our frequency requirements.

One approach to satisfying the frequency requirements is the sharing of certain Western European frequencies and from the island of Rhodes that is technically feasible. However, it is a fair assumption that immediately after the inception of broadcasts from the island of Rhodes to the Soviet or satellite countries that service would be jammed and the jamming would seriously affect the Western European broadcasting service of the country with which Rhodes shared the frequency. The second alternative would be the unrestricted use of Eastern European frequencies on a non-protection basis. A pool of Eastern European frequencies possibly suitable for that use exists. The Department has studied the possibility of using such frequencies and the concurrence has been obtained to

[4] For NSC 66, April 4, 1950, see *Foreign Relations*, 1950, vol. IV, p. 285.

use frequencies assigned to Latvia, Estonia, Lithuania, Bulgaria and Albania because of current political relations with those countries. The desirability of using Soviet or other satellite frequencies on a non-protected basis is presently under consideration. In studying this problem the Department has taken cognizance of the fixed and other services operated by the United States Military Establishment in Europe and is aware of the possibility of retaliation. Prior to arriving at a policy determination on this matter the Department would appreciate the views of the Department of Defense on the desirability of using Soviet and satellite frequencies in the manner outlined above.

Sincerely yours,

JAMES E. WEBB

---

## No. 656

511.00/11-2051

*Memorandum by the Assistant Secretary of State for Public Affairs (Barrett)* [1]

TOP SECRET [WASHINGTON,] November 20, 1951.

Subject: Winds of Freedom Project

This is to confirm that at today's Secretary's meeting the so-called Winds of Freedom project was cleared in principle as a continuing operation. [2] It is understood that:

(1) This clearance means that it is intended to have this instrument used from time to time as part of the over-all psychological effort;

(2) That each individual project is to be cleared with the State Department—which, internally, will mean clearance with the appropriate geographic bureau and with the public affairs area;

(3) Projects in this field should be carried out under private auspices and, to the greatest extent possible, under *international* private auspices, as was nominally the case with the original Winds of Freedom undertaking.

EDWARD W. BARRETT

---

[1] Copies of this memorandum were directed to McWilliams (S/S), Joyce (S/P), Bonbright (EUR), and several officers subordinate to Assistant Secretary Barrett.

[2] No record of the Secretary's meeting under reference here has been found. Apparently under consideration at the meeting in question was a paper dated October 29, presumably prepared in the Central Intelligence Agency, suggesting that the "Winds of Freedom Project" be established as a continuing operation. Regarding the "Winds of Freedom Project", see Sargeant's memorandum to Webb, Document 636.

## No. 657

940.40/12-1851

*Memorandum of Conversation, by Willard Allan of the Office of Eastern European Affairs* [1]

CONFIDENTIAL [WASHINGTON,] December 18, 1951.

Subject: RFE Baltic Language Broadcasts.

Participants: Mr. Povilas Zadeikis, The Lithuanian Minister
Mr. Johannes Kaiv, Acting Consul General of Estonia in New York City in Charge of Legation
EE—Mr. Vedeler
EE—Mr. Allan

Minister Zadeikis and Mr. Kaiv spent two hours with the Department's officers today, discussing the question of Radio Free Europe broadcasts in the Baltic languages. The visitors urged earnestly that plans for such broadcasts not be dropped, requesting the Department's support for their position. They seemed unable to comprehend the desire of the Department and NCFE to leave the matter in abeyance for the present.

Minister Zadeikis and Mr. Kaiv advanced essentially the same arguments as those put forward last week by the Latvian Chargé d'Affaires [2] and by Mr. Kaarel Pusta, Sr. (See memorandum dated December 13, 1951 from EE—Mr. Vedeler, Subject: Question of RFE Baltic Language Broadcasts. [3])

The Department's officers assured the visitors repeatedly that no political significance was to be attached to the American decision regarding the proposed broadcasts. It was stressed that the present attitude toward such broadcasts was based on the desire to produce the most effective broadcasts in the Baltic languages by concentrating professional efforts in a single organization.

The Department's officers explained that the unique relationship between the Baltic States and the United States enabled this government officially to take a much stronger line in its broadcasts than it could take in broadcasts to countries in which we maintain officially accredited missions. Thus the VOA might be able to broadcast substantially the same material as that which might be transmitted by RFE. It therefore seemed logical, in an effort to uti-

---

[1] Drafted on December 26.

[2] Jules Feldman.

[3] The memorandum of conversation has not been found.

lize the United States foreign broadcasting potential in as efficient a manner as possible, to try a division of labor in the case of the Baltic States, with VOA handling the matter, at least temporarily. It was pointed out that certain technical considerations which supported other RFE broadcasts—for instance, the possibility of locating powerful RFE medium wave facilities near the border of Czechoslovakia—were not present in the case of the Baltic States. Mention was also made of the anticipated extension of VOA coverage to be achieved through the inauguration on February 16 of the first of the Baltic language European broadcasts originating in Munich, of the limited amount of current intelligence material available on conditions in the Baltic States, and of the large monetary cost of radio transmissions. It was emphasized also that VOA sincerely is anxious to produce the best program possible, and that both VOA and the Department would continue to welcome comments, criticisms and suggestions concerning the Baltic broadcasts, from the visitors, the Baltic Consultative Panels and from others. The Department's officers stated that they understood that the decision not to proceed with RFE Baltic language broadcasts at this time was not solely a Department decision but that it was one with which NCFE and RFE concurred.

The Department's visitors did not consider this line of reasoning valid. They found it especially difficult to believe that RFE and NCFE agreed with the Department in this matter. They believed that the Department, upon the insistence of VOA, was cancelling the broadcasts against the opposition of RFE. The visitors offered, in support of their contention, the following arguments:

One of the chief inducements for cooperating with the National Committee for a Free Europe had been the promise that RFE would broadcast to the countries of Eastern Europe. Minister Zadeikis stated that prior to approving of the affiliation of Lithuanian *émigré* leaders with the NCFE through the establishment of a Lithuanian Consultative Panel he had received assurances in correspondence from Mr. Poole that the Baltic States, if they were associated with NCFE, would receive consideration equal to that afforded other Eastern European countries, including, of course, equal treatment in the question of RFE broadcasts.

The visitors have been told specifically by members of the Baltic Consultative Panels that RFE broadcasts are being held up solely by the Department. RFE has hired persons to act as chiefs of the Baltic broadcasting units. Such persons are still receiving salaries and have not been told that their work will be terminated. Baltic refugees who have applied for positions in the RFE Baltic Radio Units, and who have discussed their applications with RFE, have not been told that Baltic Language broadcasts are being dropped but have been led to believe that their applications are under active consideration.

The visitors felt strongly that abandonment of Baltic language broadcasts by RFE would be misunderstood both here and abroad and emphasized that such a move might be interpreted widely as a change in the position of the United States vis-à-vis the Baltic States. They pointed out that the RFE Baltic language broadcasts project has been known and widely discussed among refugee groups here and abroad, and they claimed that already there were signs of a possible change in attitude toward Baltic refugees by refugees of other Eastern European countries because of what the latter considered an apparent decrease in United States support for the Baltic States.

Mr. Kaiv mentioned that about a month ago an Estonian newspaper published in Germany had printed an article calling the attention of its readers to alleged forthcoming RFE broadcasts in the Estonian language, and that it would be difficult for this newspaper to understand or to explain the present change in plans.

Mr. Kaiv said that many refugees might consider it more than a coincidence that the decision to cancel RFE Baltic language broadcasts apparently occurred at the same time that the National Committee for a Free Europe was slighting the Baltic States in connection with a forthcoming refugee conference in Europe. Mr. Kaiv said that the NCFE was paying the traveling expenses to the meeting of a number of refugees in the United States. For instance, he said, two Bulgarians were being sent, and two Hungarians. In the case of the Baltic States, however, only one delegate was being sent to represent all three states. Mr. Kaiv averred that many Balts resent this apparent diminution of the importance of the Baltic States . . .[4] The Department's officers said that they were not informed on the plans of NCFE to which reference was made; they assured the visitors, however, that there was no connection between NCFE conference arrangements and the Department's support for the plan to hold RFE Baltic language broadcasts in abeyance.

After repeated efforts to make clear the force of the considerations moving the Department, Mr. Vedeler suggested, in conclusion, that Minister Zadeikis and Mr. Kaiv might wish, after discussing the matter with the VOA and NCFE, to submit memoranda detailing their positions. Mr. Vedeler promised that such memoranda would receive careful and sympathetic consideration.

---

[4] Ellipsis in the source text.

Minister Zadeikis and Mr. Kaiv indicated that they would prepare such *aide-mémoire*. They left the Department as they had entered, apparently convinced that the Department is permitting the Baltic States to be slighted because of jurisdictional considerations in the broadcasting field or that the Department is weakening in its political support for the Baltic States.

---

## No. 658

940.40/12-2451

*Foreign Service Information and Educational Exchange Circular Number 14* [1]

RESTRICTED WASHINGTON, December 24, 1951.

Subject: Relationship of USIE to Radio Free Europe and Similar Activities in Other Areas

*1. Purpose*

This circular is issued to clarify the status of Radio Free Europe (RFE) and similar activities sponsored by private groups vis-à-vis the United States Government and to establish a policy to guide the relationship of USIE to such activities.

*2. Nature of Radio Free Europe*

2.1 It is emphasized that Radio Free Europe is a private, non-governmental agency supported from contributions solicited in the United States by "The Crusade for Freedom". It concentrates its radio broadcasts on the captive countries behind the Iron Curtain, namely Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and Albania, striving specifically to present news and information denied within those countries by the controlled press and radio.

2.2 In the area behind the Iron Curtain where both operate, the major aims of the Voice of America and Radio Free Europe are essentially the same. The Voice of America, however, with its responsibility for full reporting of official American acts and documents, American news, and world developments cannot devote the major part of its Iron Curtain broadcasts to events inside those countries as does Radio Free Europe. It is also to be noted that while the

[1] Drafted by Lane (IE) and cleared by appropriate functional and geographic offices and bureaus within the Department of State. Sent to all diplomatic and consular missions.

Voice of America speaks for the United States Government and the American people, Radio Free Europe is a privately-organized medium through which, for example, Poles speak to Poles as "The Voice of Free Poland", Hungarians to Hungarians as "The Voice of Free Hungary", etc.

2.3 Thus, while the basic principles which it currently emphasizes in its broadcasts are those for which the United States and other nations of the free world stand and while it serves as a valuable complement to other free world efforts, Radio Free Europe cannot be construed under any circumstance to be speaking officially for the United States Government. Any suggestion by other nations that the United States Government assume responsibility and endeavor to control the output of Radio Free Europe has been rejected as contrary to democratic procedure and the principle of freedom of information.

*3. Relationship to USIE and the Public Affairs Programs in Germany and Austria*

3.1 In addition to programming and transmitting operations at its European base, Radio Free Europe has a reportorial staff operating in many other cities of Europe and the Near East. It is inevitable that there will be frequent contacts between representatives of Radio Free Europe and USIE.

3.2 The Department's policy is that representatives of Radio Free Europe shall be treated in the same manner as the properly accredited representatives of other private information media, such as press associations, radio networks, publishing houses, etc. It is intended that the USIE staff be helpful in making available any *unclassified* materials requested. Representatives of Radio Free Europe are not privileged, however, to have access to classified in-

formation and policy guides nor is it appropriate for USIE officers to discuss such materials with representatives of Radio Free Europe. Is should also be clear that the primary function of the USIE staff is the conduct of the official United States overseas information and educational exchange program, and the Department's general endorsement of the aims of Radio Free Europe should not be construed as authorizing any special activity on the part of USIE which would in any way jeopardize the success of the official program of the Department. This policy also applies to the public affairs programs in Germany and Austria.

# ALBANIA

## ATTITUDE OF THE UNITED STATES TOWARD THE ALBANIAN REGIME [1]

## No. 659

740.5/2-2051: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom* [2]

TOP SECRET WASHINGTON, March 2, 1951—7 p. m.

4008. In event CD discussion Mar 5 (Deptel 4000, March 2, 5 p.m. [3]) extends to problem of what action Western Powers might appropriately take to protect Yugo rear and limit spread of conflict if, in consequence attack on Yugo, Tito feels he must neutralize Alb, Dept wishes you refrain from positive participations. FYI only, question is now under active consideration within US Govt, and Dept wishes clarify US position and possibly coordinate with certain other govts before expressing its views in wider forum. However, any views on problem which may be expressed by other dels would be of obvious interest to Dept.

In your analysis position other dels, following considerations which Dept is taking into account may be of use: in event hostilities we cld not and probably would not wish prevent Tito from taking steps to eliminate recognized military threat; however, Yugo occupation Alb would jeopardize ultimate creation independent Alb and wld certainly provoke difficulties as regards Greece and Italy.

USDep will appreciate that, in even genl discussions of Alb, situation may be delicate as Ital is country at interest. However, stated Ital policy is to support respect for sovereignty and independence Alb, and Italy by Peace Treaty formally renounced all claims to special position in Alb and undertook to respect its sov[ereignty] and independence. Furthermore, Dept wld not wish gen discussions of Alb to extend to delicate questions such as Alb-Grk borders, on which adequate coordination US and Brit policies has not as yet

---

[1] Continued from *Foreign Relations*, 1950, vol. IV, pp. 363 ff.

[2] Drafted by Oliver M. Marcy of the Office of Eastern European Affairs and cleared with Matthews, Campbell, Perkins, WE, GTi, and RA; 3 days later this telegram was repeated to Belgrade and Moscow.

[3] Document 617.

been achieved and which shld probably be dealt with otherwise than through NATO. [4]

WEBB

[4] The North Atlantic Council Deputies exchanged views on Albania and the other Balkan countries at their 19th meeting on March 12; for a report of this meeting, see telegram Depto 622 from London, Document 619.

## No. 660

INR files

*National Intelligence Estimate* [1]

SECRET
NIE-42

[WASHINGTON,] November 20, 1951.

THE CURRENT SITUATION IN ALBANIA WITH PARTICULAR REFERENCE TO GREEK, YUGOSLAV AND ITALIAN INTERESTS

### THE PROBLEM

To assess the strategic importance of Albania; to examine the stability of the existing regime; and to analyze Greek, Italian and Yugoslav interests in Albania.

### CONCLUSIONS

1. In its physical isolation from the Soviet Bloc Albania's importance to the USSR is more latent than manifest. In an area of traditional Russian aspirations, its continuance under Soviet control is a political asset and a matter of prestige to the USSR especially in view of the defection of Yugoslavia and the defeat of Communist aggression in Greece. Economically, Albania is a liability to the USSR. By itself, Albania is of minor military importance to the USSR. However, if overland communication with the Soviet orbit were re-established, it would regain the limited military value it possessed for the USSR before the Yugoslav defection.

2. Resistance activity constitutes a troublesome problem for the Hoxha regime but is not an immediate threat. As long as the resistance effort is divided and does not receive substantial external

[1] NIE-42, with covering sheets and a dissemination notice, was drafted jointly by the intelligence agencies of the Department of State, the Departments of the Army, Air Force, and Navy, the Joint Chiefs of Staff, the Federal Bureau of Investigation, and the Atomic Energy Commission, under the coordinating leadership of the CIA. Concerning the preparation and distribution of National Intelligence Estimates, see footnote 1, Document 613.

aid, the Albanian security forces will probably succeed in containing it.

3. The interests of Italy, Greece, and Yugoslavia in Albania conflict, and each of these three countries probably prefers continuance of the *status quo* to a change which would be favorable to the others.

4. Italy and Yugoslavia have officially accepted the principle of the creation of a sovereign and independent Albania with its present boundaries and free from Soviet control. However, Greece, because of its claims to northern Epirus, has so far not accepted this principle. Whether or not all three of Albania's neighbors could actually be brought to accept an independent Albania with its present boundaries would probably depend upon the support given the new government by the Western Powers.

DISCUSSION

*The Significance of Albania*

5. Politically, Albania is of importance to the USSR primarily as an outpost of Communism. The USSR would regard its loss as a blow to Soviet prestige, particularly since the defection of Yugoslavia and the failure of the Communist effort in Greece. Economically, Albania is a liability to the USSR. Militarily, Albania is of minor importance to the USSR. Although it occupies a strategic location at the entrance to the Adriatic, under modern conditions its capabilities for development are limited. Saseno Island and the port of Valona have some potential value as bases for mine craft, small naval attack craft, and submarines. Saseno Island was a minor Italian submarine base and there have been recurrent but unconfirmed rumors in the postwar years of Soviet efforts to reconstruct these facilities. There is no confirmed evidence of extensive Soviet efforts to build up Albanian air facilities and, although Albania might be of value as an outpost in an early warning system for air defense of the Soviet orbit, there is no evidence of Soviet radar installations. Since the defection of Yugoslavia, Albania has lost most of its strategic importance to the USSR because of the lack of overland communication with the Soviet orbit. However, Albania would be of some significance to a land campaign in the Balkans, since operations in conjunction with Bulgaria, if successful, could separate Greece from Yugoslavia.

*The Current Situation in Albania*

*The Stability of the Regime and Extent of Soviet Control*

6. Prior to the Cominform-Yugoslav rift in June 1948, Albania was closely tied, both politically and economically, to Yugoslavia. Rather than follow Marshal Tito's heresy, however, Hoxha chose

the Moscow camp and launched a vigorous campaign for the elimination of "nationalist" elements in Albania. Hoxha not only extricated Albania from its ties with Yugoslavia, but also succeeded in eliminating serious competition for leadership within Albania. Reported rivalry between Hoxha and the Minister of Interior, Lt. Gen. Mehmet Shehu is likely to be of little importance as both men are apparently firmly controlled by the Kremlin.

7. Albania is totally dependent upon Soviet support. Without it, the country's economy would be severely shaken within a few months. Soviet control is reinforced by from 1000 to 1500 Soviet "experts" in key positions in the police, military, and civilian administrations as well as in the party hierarchy.

8. With Soviet support Hoxha and Shehu have thus far succeeded in ruling the country through the usual Communist methods of police terror and rigid economic controls. Despite evidence of opportunism and disloyalty in the security forces and particularly in the army, these forces constitute effective instruments for the suppression of opposition.

9. Soviet support to Albania, however, has not included a mutual assistance pact, probably because the USSR desires to leave the situation fluid and to avoid a commitment which might prove embarrassing. * Albania has such a pact only with Bulgaria (16 December 1947).

10. Nevertheless, any change in the Albanian situation which might threaten Soviet control would automatically involve a question of Soviet prestige in an area in which one Satellite has already defied the Kremlin. Under present circumstances, such a change probably could occur only with the support of one or more of the neighboring states. Such a development would necessarily lead to a deterioration of the international situation. Soviet action to counteract a change of this nature would depend upon broader considerations of global strategy.

*Resistance to the Present Regime*

11. Dissatisfaction among the Albanian people continues to be widespread and there has been some overt resistance within the past few years. The regime itself has admitted the existence of "diversionist" elements and attacks upon military and civilian supply convoys. The most dramatic incident of resistance activity was the bombing of the Soviet Legation in February 1951, but local assassination and limited economic sabotage have probably been more effective challenges to Communist authority. Thus far, the Hoxha regime has been able to deal with opposition movements by insti-

* The only other Satellites which have not concluded mutual assistance pacts with the USSR are Eastern Germany and North Korea. [Footnote in the source text.]

tuting further repressive measures. For example, Shehu has organized special pursuit battalions which operate in the mountainous areas against individual resistance groups.

12. Refugees have reported the existence of various local resistance groups, such as the "National League of the Mountains," "Liberty," "Skanderbeg," † "Call" and "National Unity," but specific information regarding these groups is lacking. There does not appear to be any established cooperation among the various dissident groups despite their common desire to rid Albania of the Hoxha regime.

13. Among the Albanian *émigré* resistance movements the Committee for a Free Albania, an affiliate of the National Committee for a Free Europe, with operational headquarters in Rome is perhaps the most influential. The Committee comprises three groups: (1) the National Agrarian Democratic Party/Balli Kombetar (National Front) whose following is strongest in southern Albania; (2) the Legality Party (pro-King Zog) which is strongest in central Albania and (3) the League of Peasants and Villagers (Agrarian Party) which has its strongest following in the extreme north and in the neighboring Yugoslav provinces inhabited largely by Albanians. Although these groups have the common objective of establishing an independent and sovereign Albania, they differ among themselves as to the type of government to be created. The Committee's activities within Albania have been limited to propaganda work and some subversive efforts by agents. Its most effective operation thus far has been the dropping of propaganda leaflets. These leaflets have caused considerable excitement within the country, prompting periodic official notes of protest to the Italian Government and encouraging Albanians to flee Albania.

14. In addition to the internal organizations and the Committee for a Free Albania, there are operating within Albania representatives of pro-Italian, pro-Yugoslav, and pro-Greek Albanian *émigré* groups. Despite their common opposition to the present regime, their ultimate objectives reflect the divergent interests of the three countries. Their activities have been limited because of fear on the part of each country that a change in the Albanian regime might benefit one of the other neighbors and possibly for fear of precipitating an international crisis.

15. The efforts of both the internal resistance groups and the *émigré* organizations are uncoordinated and their objectives frequently conflict. These factors have simplified the task of Albanian security forces in isolating and destroying individual groups.

---

† The name of an Albanian hero of the 15th Century. [Footnote in the source text.]

16. Under present circumstances, while resistance activity constitutes a troublesome problem for the Hoxha regime, it is not an immediate threat. As long as the resistance effort is divided and does not receive substantial external aid, the Albanian security forces will probably succeed in containing it.

*Conflicting Interests of Italy, Yugoslavia and Greece*

17. Albania has long been a bone of contention among its neighbors. Their interests conflict to such an extent that, even under present circumstances, the problem of Albania complicates the development of good relations and cooperation among Italy, Yugoslavia and Greece. Other problems, such as Trieste and Macedonia, are of greater immediate importance in creating dissension among these powers, but Albania would probably become a critical issue if the present regime were overthrown.

*Italian Interests*

18. Italy's objective in Albania has always been to establish Albania as an Italian sphere of influence and to prevent any other power from gaining a foothold from which Italian influence in the Adriatic could be challenged. In pursuit of this objective, Italy supported the creation of an independent Albania in 1912 and later, in 1914, occupied the island of Saseno and the port of Valona. Italian troops remained in occupation until 1920. Italy was then forced to evacuate the mainland, but retained Saseno which was converted into a minor naval and submarine base. By a pact of friendship and security with Albania in 1926, Italy established a legal basis for including Albania in Italy's sphere of influence. Italian influence was manifested by loans, management of nearly all important economic enterprises, and training and equipping of the armed forces. In 1939, Mussolini occupied Albania and united it with Italy; in 1940, he launched his invasion of Greece from there. Under the Italian Peace Treaty (1947), Italy recognized the independence of Albania, ceded Saseno Island, and renounced all public and private property rights, concessions, claims, etc. in Albania.

19. Italy has not given up, however, its basic objectives toward Albania: the denial of the area to other powers and the restoration of Italian economic and political influence in Albania. In its official statements, the Italian Foreign Office has emphasized that continued Albanian independence and territorial integrity correspond with Italian interests. Italian efforts to improve relations with the present Communist regime have made no progress. Formal diplomatic relations were established in 1949 and, despite Communist restrictions on the Italian Legation in Tirana, Italy undoubtedly intends to retain such relations as long as possible.

20. Italy evidently aims eventually to re-establish its influence through the pro-Italian exile group, the National Independent Bloc. The leadership of this group cooperated with Italy before and during the war and enjoys the support of the present Italian government; its newspaper is supported by funds from the Italian Navy. Its activities have been relatively limited, although a few of its members have parachuted into Albania to organize resistance, sabotage, and other anti-government activity on a pro-Italian basis.

21. Italy is particularly apprehensive of possible Yugoslav preeminence in Albania in the event the Hoxha regime should be overthrown. The Italian desire to avoid the establishment of a foothold by any other power in Albania is so strong that Italy probably prefers continuation of the *status quo* to the creation of a power vacuum which Yugoslavia and, possibly Greece, would be in a better position to fill.

*Greek Interests*

22. Greek interests in Albania center upon Greek claims to southern Albania (northern Epirus), an area which the Greeks occupied from 1912 to 1916 and which they have consistently claimed on historical, ethnic, strategic and economic grounds. The Greeks also recall that Albania served as a base for the Italian attack on Greece in 1940 and, in the postwar years, for Communist guerrilla operations against Greece. Even at present, Albania is a base from which Communist agents are infiltrated into Greece.

23. Greece, like Italy and Yugoslavia, is attempting to further its policy through the use of Albanian refugees. Those in Greece are primarily from southern Albania and are apparently concentrated in camps along the Albanian border. To date, their efforts have been largely in the field of espionage, propaganda and the encouragement of additional emigration. Some of those in the camp at Yannina are reported to be formed into military units, intended for eventual use in southern Albania.

24. The Greeks probably look on partition of Albania between Greece and Yugoslavia as the ideal solution to the problem. They are apprehensive of possible Yugoslav or Italian domination of the entire country, and would probably attempt to occupy northern Epirus in the event of military action in the area, such as a Yugoslav invasion of Albania. For the present, in the absence of Allied assurances against possible Italian or Yugoslav domination of Albania, Greece probably prefers continuation of the *status quo* at least so long as the Hoxha regime does not resume full scale support of the Greek guerrillas.

*Yugoslav Interests*

25. Serbia opposed the principle of an independent Albania in the period from 1912 to 1918. Following World War I, the Yugo-

slavs occupied northern Albania until 1921. In 1926, Yugoslavia finally accepted the Albanian frontier as delineated in 1913. Until the outbreak of World War II, Italian domination of Albania prevented Yugoslavia from exercising any influence.

26. This situation changed radically during World War II when Tito, through Albanian Communists, managed to obtain control of the Albanian National Liberation Movement. Tito's control was exercised largely through emissaries attached to the headquarters of the Albanian Army of National Liberation, and, from 1944 to 1948, Albania was a puppet of Yugoslavia. In 1948, Hoxha was able to extricate Albania from its ties with Yugoslavia following the Tito–Cominform rift.

27. Since 1948, Tito has ostensibly championed the principle of an independent, sovereign Albania and has condemned both Greek territorial claims and the alleged Greek proposals for the partition of Albania between Greece and Yugoslavia. Yugoslavia is particularly apprehensive of the restoration of Italian influence or domination. In the past several months, Yugoslav propaganda has charged Italy with encouraging the plans of Albanian exiles for an "ethnic" Albania which would include the Yugoslav provinces of Kosovo and Metohiya, both populated chiefly by Albanians. Tito's actual objective appears to be the eventual creation of an anti-Soviet, pro-Tito regime in Albania and a return to the status of 1944–1948. It was apparently to this end that the "League of Albanian Political Refugees in Yugoslavia" was formed in May 1951. The League, which claims to represent some 5,000 Albanian refugees, is controlled by Albanian Communists who have fled from Albania since 1948. It was created by Belgrade as an instrument of Yugoslav policy, despite its proclaimed objective of "an independent, free, indivisible, democratic and republican" Albania. The League has already engaged in some espionage, sabotage and propaganda activity, and it possesses a considerable potential for more extensive operations. Yugoslavia's exposed position, however, has probably deterred Tito from using the League to the full. Yugoslav spokesmen have expressed the fear that any substantial efforts to overthrow the Hoxha regime might be taken by the USSR as a pretext for military action against Yugoslavia.

*The Possibility of a Settlement*

28. The existence of an Albanian state has in the past always depended upon the attitude of stronger powers. Although all three of Albania's neighbors would presumably wish to see the eventual liquidation of the present regime in Albania, their interests in the ultimate status of Albania are incompatible. Since Albania's isolation from the Soviet orbit in 1948, the policy of each of its neighbors has

been directed at establishing a position from which it could profit in the event of the overthrow of the Hoxha regime. As a result, each country has sought to counter the moves of the other. This has led to a diffusion of resistance efforts within Albania. Rivalry among the three countries over Albania is also one of the factors limiting the cooperation of these nations in the development of coordinated defense plans in Southeastern Europe.

29. Italy and Yugoslavia have officially accepted the principle of the creation of a sovereign and independent Albania within its present boundaries and free from Soviet control. However, Greece, because of its claims to northern Epirus, has so far not accepted this principle. Whether or not all three of Albania's neighbors could be brought to accept Albanian independence would probably depend upon the support given the new government by the Western Powers.

# BULGARIA

## POLICY OF THE UNITED STATES WITH RESPECT TO BULGARIA

## No. 661

611.61/7-3151

*Department of State Policy Statement* [1]

SECRET

[WASHINGTON,] July 31, 1951.

BULGARIA

### A. OBJECTIVES

The long range objectives of the US toward Bulgaria are a segment of our broad policy goals with respect to the USSR. Their realization is thus dependent upon the success of our general strategy in dealing with the Soviet Union; conversely, progress toward our Bulgarian aims will contribute to this larger purpose. Within this concept our fundamental objective toward Bulgaria is to encourage the eventual replacement of its present USSR-controlled regime by an independent, popularly-based state which the US could welcome into the United Nations and which in its external relations would play a constructive role in the Balkans, conduct free foreign commercial relations, and accord to US interests equality of treatment with those of all other states.

### B. POLICIES

*1. Political*

The great obstacle to the realization of US policies toward Bulgaria lies in the absolute control of this satellite of the USSR by a picked group of Communist agents. Bulgaria is being molded, as rapidly as domestic conditions will permit, into a replica of a Soviet republic. This Sovietization process has now advanced to the point where virtually every government agency is subservient to direct

[1] Department of State Policy Statements were concise summaries of current U.S. policy toward a country or region, relations of that country or region with the principal powers, and the issues and trends in that country or region. The statements, which were generally prepared by *ad hoc* working groups in the responsible offices of the Department of State and were periodically revised, provided information and guidance for officers in missions abroad.

or indirect Soviet domination, and Bulgaria retains little more than nominal autonomy in any aspect of government. In the past five years the Communist regime has accomplished the systematic destruction of the rudimentary but promising development of free and democratic institutions, and has achieved complete mastery over the national economy, suppression of basic human freedoms and a rigid control of the individual's right to work.

Governmental responsibility for these activities rests with the small "hard core" of the Bulgarian Cominformists, while active supervision of their operations rests with an assigned contingent of Soviet personnel believed to number at least 10,000. By recent Bulgarian law Soviet citizens in Bulgaria are now eligible to assume any official position in the Bulgarian Government to which they may be appointed or "elected."

There is no reason to believe at this stage that "national deviationism," although always a significant factor, seriously threatens the Cominformist control. On the contrary the demonstration of the undisputed authority of Moscow over the local regime has strengthened the popular Bulgarian conviction that the people alone cannot cope with the present dictatorship, that the latter would have the unhesitating support of the Soviet Army if its supremacy were challenged from any source, and that a future war between forces grouped around the US and the Soviet Union offers the only prospect of deliverance from the present tyranny.

Within Bulgaria a formal, organized opposition does not exist. The only substantial deterrent to the Bulgarian Government's goal of complete communism has been the stolid hostility and deliberate obstructionism of the peasants, but even this has been largely neutralized by measures taken in connection with the intensive and often ruthless drive to collectivize the majority of land holdings. Although there is a widespread latent hatred of the regime, this has as yet been ineffective, partially because of the vigilance of the state security organs, and partially because the daily struggle for existence, intensified by the relentless pressure maintained for fulfillment of the current economic Five Year Plan, has become so grim that the bitterness of hate has been forced to yield to the apathy of exhaustion.

There is some evidence that small clandestine opposition groupings do exist in Bulgaria, but the main effort toward organization is being made by Bulgarian exiles abroad. Several groups have been formed, the most prominent and largest of which is the Bulgarian National Committee headed by Dr. Georgi M. Dimitrov (no relation to the first Communist Prime Minister). The Committee claims that it includes representatives of all democratic elements in exile and maintains contacts within the country; it is however,

dominated by Dr. Dimitrov and representatives of the National Agrarian Union, a component of the International Peasant Union. Because of this one-party control, anti-Dimitrov exiles view the Committee with mistrust, and accuse its president of dictatorial aspirations. This opposition has assumed proportions which have vitiated the effectiveness of the Bulgarian National Committee as an anti-Communist organization. It is now evident that Bulgarians in exile must abandon the diversions of Balkan politics and build up an exile organization on a democratic but non-partisan foundation if they intend to make any constructive contribution toward the liberation of their country.

United States policy is to encourage unofficially the establishment of the type of democratic, non-partisan exile organization visualized above, but to avoid direct interference with its internal affairs. If such an organization should prove truly representative we would consider extending it official recognition as spokesman for all Bulgarians in exile. However, we do not favor the development of a government-in-exile, believing the concept to be unrealistic in view of the limited number of personalities engaged in Bulgarian refugee politics.

The Bulgarian Government has consistently waged a campaign of vilification against the United States, our institutions and our policies. In Sofia our Legation was subjected to an ever-increasing number of administrative restrictions and open provocations, culminating in the vicious and wholly unfounded charges against our Chief of Mission uttered in the course of the Kostov trial, and the subsequent request for his recall as *persona non grata*. The Bulgarian Government's persistence in this request confirmed its unwillingness to observe even the minimum standards of international comity in its relations with the United States, and accordingly on February 24, 1950, we suspended diplomatic relations with Bulgaria. By suspending rather than severing diplomatic relations, we have continued to recognize the present regime as the responsible government of Bulgaria and hence answerable for its violations of the provisions of the Treaty of Peace. The Swiss Legation in Sofia has accepted protection of American interests in Bulgaria. [2]

Suspension of diplomatic relations has not altered the attitude of the Bulgarian Government nor has it removed the many problems arising out of Bulgarian treatment of American interests. Our economic interests have suffered from discrimination and from measures of nationalization without effective compensation. American

[2] For documentation on the events leading to the severance of diplomatic relations between the United States and Bulgaria, see *Foreign Relations*, 1949, vol. v, pp. 326 ff. and *ibid.*, 1950, vol. IV, pp. 503 ff.

cultural and educational influence has been subjected to unceasing attack, including prohibition of the reopening of the American College at Sofia and the closing of the Girl's School at Lovetch. American social welfare operations have been unable to function within the country, and American religious influence has been ruthlessly eradicated. We believe that these measures have been taken against the wishes and welfare of the majority of Bulgarians, and we have consistently refused to recognize the validity of any law, decree or judicial decision which is designed to further the regime's drive to destroy American interests and to eliminate American influence.

In the face of the continuous barrage of vilification of the US by Bulgarian officials, press, and radio, the only rebuttals to reach the Bulgarian people are the short, daily Voice of America broadcasts. These offer the observations of the free world upon Soviet and Bulgarian Communist activities, and demonstrate wherever possible continuing US concern for the welfare of the Bulgarian people. It is also hoped that these broadcasts encourage the people in resistance by creating confidence in Western ability and intentions actively to oppose Soviet imperialism.

US and UK efforts to induce the USSR to honor its international commitments with respect to Bulgaria have proved fruitless, and the Bulgarian Government, encouraged by its Soviet masters, has unhesitatingly ignored its obligations under the Treaty of Peace. Although this disregard has applied fully in the military and economic fields, the most flagrant violation has been the systematic denial of human rights and fundamental freedoms to the people. We have sought to exert a restraining influence and to make our position clear by official protests, public statements and finally by formal charges of violations of Article 2 of the Peace Treaty. In pressing these charges we have exhausted the possibilities for enforcement contained in the Treaty itself. These issues have also been placed before the UN. The International Court of Justice, asked for an advisory opinion, held that our charges properly justify invocation of the disputes clauses of the treaty. Bulgaria has answered this by denying the jurisdiction of the court. Faced with this final manifestation of bad faith, we are now preparing to place the substance of our case before the members of the UN, in accordance with a resolution passed in the fifth session of the GA condemning Bulgaria's willful refusal to fulfill treaty obligations and calling for submission to the Secretary General of the UN of evidence relative to this question. In addition to our unremitting efforts to enforce Bulgarian compliance with Article 2 we are calling

attention to violation of the military clauses, in appropriate international forums and with suitable publicity. [3]

Whenever Bulgaria's application for membership has been discussed in the United Nations, the US, as well as the UK, has presented the record and successfully argued that the Bulgarian Government has shown it is unwilling, despite promises, to observe the obligations expected of members of the UN. While we remain opposed to Bulgarian membership in the UN, subject to considerations which may arise from the over-all problems of membership in the UN, we do not actively oppose Bulgarian membership in international organizations sponsored by the UN. Our policy in such organizations is to abstain from any discussion or voting on the question unless other policy considerations intervene.

*2. Economic*

US-Bulgarian trade has never been important from the American viewpoint. While Bulgaria's Communist regime has consistently opposed US economic objectives, the US, on its part, continues to support such trade with Bulgaria as will, on balance, add to the strength of the Free World. We recognize that Bulgaria maintains such trade as does exist primarily in order to acquire vital products not available within the area under Soviet influence. It is accordingly our policy to maintain rigid controls on exports to Bulgaria and to refuse export licenses for any articles and any technological information which might aid its war potential or that of the USSR. Our export controls extend to technological information in all forms. Bulgaria no longer enjoys most favored nation treatment in trade with the US. [4]

The US retains nearly $3 million of blocked or vested Bulgarian Government and private assets, which is slightly greater than the amount of US claims against Bulgaria. Concurrently with suspension of diplomatic relations, we moved to prevent depletion of these blocked assets and revoked the general license for remittances from blocked funds to private owners in Bulgaria. We have not prevented remittances to private owners outside of Soviet-controlled areas, and we have not blocked any assets in the US acquired by Bulgaria since 1945. We intend to preserve, so far as possible, those funds now blocked and to continue control over them until war claims are met, and adequate and effective compensation is assured for the expropriation or other taking of American property. Such measures are deemed necessary to ensure that any losses caused

[3] Regarding U.S. efforts to achieve fulfillment of the articles of the Treaties of Peace with Bulgaria, Hungary, and Romania, see Documents 600 ff.

[4] See Document 634.

American owners as a result of Bulgaria's forced liquidation of the small US investment in that country shall be held to a minimum.

Our policy on financial assistance to Bulgaria is to refuse any government loans and to oppose private loans. So far as is known, no private loans have been made.

The USSR has aimed at excluding US aircraft from eastern Europe, while simultaneously seeking rights for Soviet orbit carriers to operate in the airspace of other countries. Our general policy is to restrict the civil air operation of the USSR and its satellites to their territory, with the possible exception of reciprocal short-term arrangements for exchange of air rights when clearly advantageous to us. In the case of Bulgaria this exception has not been applied since any such agreement would reflect unfavorably on our present political policy. In keeping with our general policy toward the USSR and its satellites, we have denied Bulgaria all aviation equipment and aircraft maintenance facilities. Our efforts to solicit the support of other non-Curtain states in this program are continuing. [5]

As provided for by a decision of the Council of Foreign Ministers in 1946 an international conference was held at Belgrade in August 1948 to draft a new convention governing navigation upon the Danube. The Soviet bloc, including Bulgaria, outvoted the US and other Western participants in approving a Convention which left the USSR in effective control of the river. [6] The Convention has been implemented and the Commissions created under it meet regularly. The US does not recognize the validity of this Convention and has charged the USSR and its satellites with responsibility for the absence of freedom of navigation on the Danube. Bulgaria, in subscribing to this Convention has violated its peace treaty obligation guaranteeing freedom of navigation. While not disregarding this violation, we have not, up to now, found it possible to undertake any effective action to enforce Bulgarian compliance.

### C. RELATIONS WITH OTHER COUNTRIES

Bulgaria has a foreign policy which is completely under the control of the USSR. In this pattern all eastern European countries subservient to Moscow are bound together by treaties of alliance and commerce, they work together in the Russian-sponsored Council for Mutual Economic Aid, they are members of the Cominform, and their policy toward one another and countries outside the bloc

---

[5] Regarding U.S. civil aviation policy toward the Soviet Union and its satellites, see Documents 616, 633, and 641.

[6] For documentation on U.S. participation in the Belgrade Conference on the Regime for Free Navigation of the Danube River, see *Foreign Relations*, 1948, vol. IV, pp. 593 ff.

is formulated by Moscow. Toward "capitalist" governments the Bulgarian regime maintains an attitude of hostility the intensity of which is dictated by Soviet instructions. The leading countries of the Free World, especially the US which is represented as the prime instigator of all anti-Soviet activities, are the objects of virulent propaganda attack.

Bulgaria's relations with Yugoslavia have steadily deteriorated since the Tito-Cominform rift was announced in June 1948. Although diplomatic relations have been strained nearly to the breaking point several times. Yugoslavia still maintains a drastically reduced diplomatic mission in Sofia, under a low-ranking Chargé d'Affaires. Bulgaria has repeatedly accused Yugoslavia of deliberate border violations and the conduct of subversive activity within Bulgaria. Residents of the border zone on the Bulgarian side have been evacuated and border garrisons heavily reinforced. Bulgaria harbors a small group of pro-Cominform Yugoslavs who are actively organized in anti-Tito activities. All major treaties and agreements between the two countries have been revoked. Cominformists, with a view to weakening Tito's regime, have sought to appeal to Macedonian nationalists with the promise of a unified Macedonia, within the Soviet orbit, embracing Macedonian territories now within Yugoslavia, Bulgaria and Greece. All of these factors have contributed to create constant tension along the border, heightened by recurrent rumors of an impending Bulgarian attack on Yugoslavia. Persistent reports have accompanied these developments to the effect that Bulgaria may be chosen by the Soviets as the spearhead for a satellite attack on Yugoslavia. The situation has reached the point now that such an attack is a distinct possibility.

Despite the termination of active guerrilla hostilities in Greece and the elimination of active Bulgarian aid to combatant guerrillas, relations between Bulgaria and Greece have remained greatly strained and there is no present possibility for the reestablishment of diplomatic relations between the two countries. Greek guerrillas are still housed and trained in camps in Bulgaria. Bulgarian propaganda heaps abuse upon the Greek Government, and Bulgaria regularly submits charges to the UN of alleged border violations by Greek troops. The United Nations Special Commission on the Balkans maintains constant observation of the situation along the Greek-Bulgarian border, but has so far not been recognized by Bulgaria. Recurrent Cominform efforts to arouse Macedonian nationalist aspirations have served to exacerbate relations, since their realization would require outright cession of present Greek territory. Thus, although the situation may be somewhat less acute than it is along the Bulgarian-Yugoslav border, a state of tension is main-

tained, supporting belief in possible Bulgarian aggressive intentions against Greece. Bulgarian refugees continue to cross the frontier in small numbers and are maintained in camps operated by Greek authorities or by the International Refugee Organization. As for Bulgaria's obligation to arrive at an equitable settlement with Greece, in accordance with Peace Treaty provisions for the restitution of Greek property and payment of fixed reparations, the Bulgarian Government has maintained an intransigent silence.

The Bulgarian regime has apparently abandoned the somewhat restrained policy which it previously observed in its relations with Turkey. Bulgarian demands in August 1950 that Turkey accept the transfer to Turkey within three months of 250,000 Bulgarian citizens of Turkish origin created a crisis which resulted in temporary closing of the border between the two countries and almost caused severance of diplomatic relations. Although a solution to this problem was eventually agreed upon, relations have definitely worsened. Sporadic incidents continue to occur. Turkey has a policy of asylum for Bulgarian political refugees which, coupled with the derogatory comments of the Turkish press and radio upon Communism, rankles with Sofia. On its side, Turkey views Bulgaria as an obvious and active Soviet base threatening the Straits.

In regard to Bulgaria's relations with all three of her non-Cominform neighbors there has been, in recent months, a significant new Bulgarian propaganda line, charging the existence of an American-sponsored alliance of these three countries, specifically directed against Bulgaria and Albania. This charge has recently been partially formalized in a Bulgarian note to the UN in connection with alleged Greek violations of Bulgarian airspace. Bulgaria is periodically reminded that the United Nations Special Committee on the Balkans is the proper agency to investigate such allegations, but, despite the obvious inconsistency of its position, the Bulgarian Government has so far resisted every effort made by the UN to secure its cooperation.

### D. POLICY EVALUATION

The actions taken hitherto by the US have not impeded the consolidation of the Bulgarian Communist regime. However, the firm position taken by the US during the Kostov trial and the subsequent events culminating in suspension of diplomatic relations, coupled with our forceful and continuing condemnation of Communist excesses, in all appropriate forums, has served to maintain the few political restraints we can apply, and has at least kept the Bulgarian regime on the defensive. Through the Voice of America broadcasts, we are giving full publicity to the views and actions of the US, and have kept alive their belief in eventual liberation. Par-

ticularly, however, the effectiveness of our specific Bulgarian policy has been strengthened by our political and military opposition to Communism on all fronts throughout the world, as a practical demonstration of US determination to curb Communist expansion. Finally, as a result, and aside from its effect on Bulgaria, our policy has played its part in alerting the American people and the Western world to the true nature of Soviet-directed Communism.

Certain of the present US activities have proved particularly effective. Their continuation is justified on the basis of past results and in some instances intensification of these activities should have effects beneficial to our aims both internationally and within Bulgaria:

1. The Voice of America broadcasts have long been a support to Bulgarian morale, and the substantial results which have been achieved warrant the belief that this program, with continued improvement and intensification, may become a positive factor in building morale. Constant attention must still be given to ways of increasing the effectiveness of the present broadcasts so that they respond consistently to the desires and needs of the listeners. The Voice of America has been a powerful force in attacking and exposing Communist propaganda, and in demonstrating to the Bulgarian listeners American awareness of conditions in that country. To further the constructive effect of these broadcasts greater emphasis should now be placed on programs designed to build an understanding of the methods, institutions and aims of democracy and how these are compatible with and will serve to implement Bulgarian aspirations.

2. Every effort should be made to explore the use of other appropriate informational media to supplement the Voice of America and further its aims.

3. Effectiveness of the present US position toward Bulgaria is undermined by our failure to make entirely clear to the Bulgarians what we expect of them and what they may expect of us. We must not only continue, without encouraging hopeless open revolt, to demonstrate the concern which the US has for the welfare of the Bulgarian people and the understanding of their problems; we must sustain their growing confidence in Western ability and intention to oppose Communism and their own capacity, under favorable conditions, to contribute to their own deliverance. This is essential if we are to succeed in our policy of encouraging such resistance on the part of the Bulgarian people to the Soviet-dominated regime and Soviet ideology as we and the other democratic countries can effectively support.

4. It is anticipated that submission of evidence to the UN will afford valuable publicity to prove the Bulgarian regime's violations of human rights and fundamental freedoms guaranteed in the Treaty of Peace, but it is improbable that it will promote Bulgarian compliance with the treaty obligations. Nevertheless, apart from the importance of this method of giving international notoriety to Bulgaria's flagrant violations of these provisions, it is evident that Bulgaria is sensitive to the effect it may have on Bulgarian and

world opinion. Accordingly, it is important that the US should continue to give full publicity to violations of these and other important provisions of the Treaty by the Bulgarian Government, with the connivance of the USSR, and should not fail to employ any means available under the Peace Treaty and the UN Charter to publicize, and if possible, to secure redress for such violations.

5. Rigid controls on exports to Bulgaria and the Voice of America broadcasts constitute the most effective available instruments whereby the US can directly make its influence felt toward deferring suspected plans for Bulgarian aggression against either Yugoslavia or neighboring non-Communist states. More important in this regard is the growing military strength of the US and its allies and the continued extension of assistance in varying form and degree to enable Greece, Turkey and Yugoslavia to resist such threats or acts of aggression. We should cooperate as closely as possible with neighboring countries to assure maximum information on developments within Bulgaria and coordination of activities designed to promote difficulties for the regime and to detract from its military potential. In this connection, high priority should be given to exploiting rifts within the Bulgarian regime and to development of a campaign of psychological warfare against the Bulgarian army.

6. Insofar as we may do so without jeopardizing their maintenance of diplomatic relations with Bulgaria, we should continue to seek the cooperation and support of other democratic countries in the application of our policy toward Bulgaria. This support greatly increases the effectiveness of our policy and the assistance of these countries is invaluable as providing a source for information otherwise unavailable to us. In the economic field the effectiveness of this cooperation will be improved if we can succeed in impressing upon other democracies engaged in trade with Bulgaria the importance of increased control of exports as an additional safeguard to the controls already established by agreed international lists.

Other problems which may require US policy decisions in the near future:

1. The US has sought to maintain friendly contact with the Bulgarian National Committee and other Bulgarian refugee organizations, always on an unofficial basis. Increasing deterioration of the world situation has intensified both the activities and rivalries of these organizations. It is in the interest of our political objectives to have a unified and representative Bulgarian exile agency, of sufficient stature to surmount the present dissension in exile politics. Moreover, this is a fundamental prerequisite for the establishment of a coordinated and effective opposition. It is hoped the exiles themselves will succeed in forming an organization of this character. If this proves impossible, it will probably become necessary for us to consider additional measures whereby we could favorably influence such a development, even though this might require modification of our present practice of non-intervention. Ultimately, when a truly representative organization has been established, and has proved itself in practice, it may be found opportune to reexam-

ine the present policy of not granting official recognition to any Bulgarian exile group.

2. The Communist appeal to Macedonian nationalism is an integral part of the Bulgarian cold war against Yugoslavia and Greece. The exact Communist objective has never been clearly stated, but the potential problems inherent in any revival of the Macedonian issue deserve our careful attention. The US position toward any Soviet efforts to create an "independent" Macedonia will necessarily depend upon the circumstances and scope of such endeavors and should take account of our interest in the integrity of Greece and the preservation of Yugoslavia as a valuable bulwark against Soviet imperialist aspirations.

# CZECHOSLOVAKIA

## CONTINUED DETERIORATION OF RELATIONS WITH CZECHOSLOVAKIA: THE CASE OF WILLIAM OATIS [1]

## No. 662

124.49/1-451: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [2]

CONFIDENTIAL WASHINGTON, January 9, 1951—7 p.m.

321. Fully realize effect surveillance Emb must have on local personnel ur staff (Embtel 407, Jan 4 [3]) but doubt whether note to Czech auths (Embtel 408, Jan 4 [4]) or other means taking official notice Czech action will accomplish withdrawal police.

Such police surveillance, although in more overt forms, has been encountered other capitals and at Moscow police detail both uniformed and secret has been on constant patrol front Emb for more than decade. Consideration given from time to time to maintaining our police guard at Sov Emb. If Czechs shld reply at all proposed note they might claim this matter their own jurisdiction of no concern to us or else might seize upon circumstances as excuse for maintaining regular police patrol in front Emb. Possible they wld not be displeased with intercession as sign measures harassment proving effective and wld be impelled continue or extend their action. If situation altered in any way, Czechs might only turn to less obvious more covert move against Emb.

This has been our position re similar occurrences in past and we still believe best course give no official indication awareness action local auths. It may well be this clumsy police activity will be car-

[1] For previous documentation on U.S. relations with Czechoslovakia, see *Foreign Relations*, 1950, vol. IV, pp. 526 ff.

[2] Drafted by Vedeler of EUR/EE and cleared by Estes of EUR.

[3] Telegram 407 reported that since mid-December 1950 the Chancery in Praha had been under almost constant surveillance during office hours by individuals presumed to be members of the Czechoslovak secret police who parked in automobiles near the Chancery entrance. The activity was generally limited to observation, although Czechoslovak members of the Embassy staff were occasionally stopped and required to show identity papers. (124.49/1-451)

[4] Telegram 408 transmitted the text of a draft note to the Czechoslovak Foreign Ministry protesting the activity reported upon in telegram 407 (see footnote 3 above). (124.49/1-451)

ried such absurd lengths as bring in itself some change as encounter Fr Mil Att with police upon leaving Emb (Embtel 417, Jan 6 [5]) suggests. Agree ur thought (Embtel 418, Jan 6 [6]) more might be accomplished through derisive publicity and appropriate VOA handling, especially view incident involving Fr Mil Att, which being carried VOA along lines indicated reftel 417.

ACHESON

[5] Telegram 417 reported that on January 5 the French Military Attaché was stopped by Czechoslovak secret police upon emerging from the U.S. Embassy in Praha. The police refused to acknowledge the Attaché's identity card and attempted unsuccessfully to force him into a nearby police automobile. (601.5149/1-651)

[6] Not printed.

## No. 663

*Editorial Note*

In a note delivered to the United States Embassy in Praha on January 22 and made public that same day, the Czechoslovak Foreign Ministry reviewed 56 instances of alleged violations of the Czechoslovak frontier by United States military aircraft and accused the United States Government of utilizing some of the alleged illegal overflights for the purpose of dropping radio transmitters by parachute intended for espionage and other subversive activity within Czechoslovakia. (Telegram 466 from Praha, January 22, 911.5249/1-2251) Acting on instructions from the Department of State, Ambassador Briggs presented a reply to the Czechoslovak Foreign Ministry rejecting the allegations made in the Czechoslovak note of January 22, characterizing the charges as being "fabricated solely for propaganda purposes," assuring the Czechoslovak Government that all American flyers in Germany were under strict instructions to exercise extreme caution so as to avoid crossing the Czechoslovak frontier, and calling attention to the many reports of border violations of the United States area of control of Germany by Czechoslovak aircraft. (Telegrams 370, February 1, and 377, February 5, to Praha, and telegram 493, February 6, from Praha, 949.5262A/1-2951, 949.5262A/2-651, and 511.4941/2-651, respectively) On February 16 the Embassy in Praha received a further note from the Czechoslovak Foreign Ministry rejecting the Embassy's note of February 7 and reiterating its earlier allegations concerning the overflight of Czechoslovak territory by American aircraft (see telegram 525 from Praha, Document 667).

On February 9, the Czechoslovak Foreign Ministry addressed a note to the Embassy in Praha (issued to the press that same day)

charging that two United States jet military aircraft had illegally entered Czechoslovak airspace on February 7 and penetrated as far as Praha itself. The note also claimed that a DC–4 and two Dakota aircraft had violated the Czechoslovak frontier on February 5. The note warned of the consequences that might arise from such alleged illegal overflights and stated that the responsibility for them must rest with the United States Government. The allegations of illegal overflights by United States aircraft on February 5 and 7 were denied in a statement issued to the press by the Embassy on the evening of February 9. (Telegram 507 from Praha, February 10, 711.5849/2–1051) The Czechoslovak note of February 9 was handed to Ambassador Briggs on February 10 by Czechoslovak Deputy Foreign Minister Hajdu. When the Ambassador informed Hajdu that he assumed the latest charges were as groundless as those refuted in the Embassy's note of February 7 (see above), Hajdu declared "in that case next time there is an illegal American overflight we'll show you the corpus delicti." (Telegram 505 from Praha, February 10, 711.5849/1051) Regarding Ambassador Briggs' conversation with Deputy Foreign Minister Hajdu and the Ambassador's assessment of the Czechoslovak allegations, see telegram 508 from Praha, February 10, *infra*. The Department of State subsequently learned that two United States Air Force jet aircraft had become lost during a training mission over Germany on February 7 and accidentally penetrated Czechoslovak airspace to the vicinity of Praha. On instructions of the Department, Ambassador Briggs delivered to the Czechoslovak Foreign Ministry on February 17 a note briefly explaining the circumstances of the accidental airspace penetration of February 7, expressing regret for the incident, and promising immediate appropriate corrective action. (Telegrams 398 to Praha, February 15; 6773 from Frankfurt, February 15; 399 to Praha, February 16; 524 from Praha, February 17, all in file 711.5849)

Documentation on the exchanges of notes described here is principally in files 711.5849 and 949.5262A.

## No. 664

711.5849/2-1051 Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRIORITY PRAHA, February 10, 1951—5 p.m.

508. Point of Czechoslovakia's self-inflicted indignation over jet plane accusations is not that charges are false but what is purpose behind charges and what they portend. [2] Propaganda obviously (more warmongering chatter and also probably hoping divert local interest from tensions and rumors in domestic political field). Likewise may be another show of anger over US action with respect Czech National Air Line, in which connection it was with considerable satisfaction yesterday, after Hajdu had finished his performance and I had given him my estimate of his government's latest charges, that I delivered to Hajdu our note encouraging better behavior on part CSA. [3]

But we must also recognize that latest overflight charges, preposterous though they appear to us, may represent carefully prepared move seeking to build up pretext for some next step already decided upon. When we consider number and variety false charges made during past year—all the way from potato bugs [4] to secret radios—to espionage—this becomes less far-fetched. Moreover, Hajdu's performance (show of outraged virtue, indignation over violated sovereignty, threat next time to produce "corpus delicti" and finally threat not contained in note, but reiterated by Vice Minister in conversation, to hold this Embassy responsible next time overflight occurs) was not only reminiscent his declarations last year preceding steps against Embassy, but could scarcely have been more of-

[1] Repeated to Frankfurt, Moscow, Paris, and London.

[2] Regarding these accusations, see the editorial note, *supra*.

[3] On February 9 Ambassador Briggs delivered to the Czechoslovak Foreign Ministry a note regarding a recent request by the Czechoslovak Government for permission for the Czechoslovak National Airline (CSA) to make an additional weekly flight over Germany on its Praha-London route. The Embassy note informed that the U.S. High Commissioner for Germany could not accede to the Czechoslovak request in view of the Czechoslovak Government's unsatisfactory replies regarding American complaints of illegal CSA overflights over Germany. (Telegram 492 from Praha, February 6; telegram 384 to Praha, February 7, 949.5262A/2-651; telegram 504 from Praha, February 9, 949.562A/2-951)

[4] In a reply made on July 6, 1950, to charges by the Czechoslovak Government that the United States was responsible for the dissemination of potato bugs in Czechoslovak potato crops, the Embassy "ventured to suggest the inherent unsuitability of the potato bug (*doryphora decemlineata*) as an instrument of national policy." The Embassy further "doubted whether the potato bug, even in its most voracious phase, could nibble effectively at the fabric of friendship uniting the Czechoslovak and American people." (Department of State *Bulletin*, July 24, 1950, p. 135)

fensively phrased, were next step to be severance relations by Czechoslovakia.

Other possible straws in wind are emphasis on espionage Czech January 22 overflight note, [5] plus series espionage charges mentioning Embassy or its personnel in various recent trials. These give only passing press attention at time, but could easily be resurrected as part of government's "array of proof." Lastly, policy surveillance over American members of staff and over chancery, residence, staff houses, et cetera, is now occupying full time substantial number local police, and we are trailed wherever we go. [6]

Seems not improbable therefore that at any time Czechoslovakia may announce new American overflight or even declare that Czech Air Force has downed US plane (story complete with counterfeit photos showing US insignia), and that this may be represented as ultimate "intolerable provocation" forcing Czechoslovakia to act. Short of severance relations, most likely moves would be restriction on movement Embassy personnel, declaration some one PNG or arrest of member of staff—any of which I believe we must now consider as early possibility.

Foregoing not to say we should swallow these latest charges. Last night following local broadcast Czech note I authorized "Embassy spokesman" statement quoted Embtel 507 February 10. [7]

Recommend our official reply be forceful, fully convincing, unintimidated and promptly forthcoming. [8]

BRIGGS

---

[5] Regarding this note, see the editorial note, *supra*.

[6] Regarding Czechoslovak police surveillance of the Embassy in Praha, see telegram 321 to Praha, Document 662.

[7] See the editorial note, *supra*.

[8] On February 13–14, the Department of State learned that U.S. aircraft had accidentally strayed across the Czechoslovak frontier; regarding the note delivered to the Czechoslovak Foreign Ministry on February 17, see the editorial note, *supra*.

## No. 665

711.5849/2-1051: Telegram

*The Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfurt* [1]

SECRET NIACT WASHINGTON, February 12, 1951—6 p.m.

5536. This is State-Defense msg. We are concerned at Praha's 505, rptd HICOG 186, [2] and Praha 508 Feb 10, [3] passed Moscow 28, rptd HICOG 159, Paris 81, London 55, both passed to Vienna.

It is imperative that no cause be given for any incident between Czechs and US involving forcing down or shooting down of US civil or mil aircraft. To that end USAF is instructing USAFE and USFA every special precaution will be taken to insure that absolutely no US aircraft of any type violates Czech territory. Special instrs are to go to all pilots to this effect, with importance this order being strongly emphasized.

HICOG and USCOA shld put out special warning to civil airlines operating to and through Ger and Austria to effect that Czechs and other curtain countries are exercised about alleged unauthorized overflights and that safety of aircraft crew and passengers demands that every precaution be taken rigidly to follow flight authorizations and procedures.

ACHESON

---

[1] Repeated niact to Praha and Vienna, and also sent to Moscow, Paris, and London. Drafted by Wolf of EUR/RA and cleared by EE, GPA, WE, AV, and the U.S. Air Force.

[2] Not printed, but see Document 663.

[3] *Supra.*

## No. 666

124.49/2-1551: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRAHA, February 15, 1951—6 p.m.

519. Information contained Paris telegram February 12, regarding possible Russian project early rupture by Czechoslovakia and Poland first we had heard this matter. [2] Regarding Czechoslovakia we would assume decision that character would in fact originate with Kremlin. Most we can state now is that if rupture planned, Czechoslovakia behavior would probably be approximately as it has been recently, for example:

1. Within past week 3 cabinet ministers plus Secretary General Slovak CP have publicly and bitterly excoriated US (take-off point these flights of oratory West German rearmament).
2. Considerably increased police surveillance and harassment Embassy and personnel, including harsh police measures against Czech employees in effort obtain information about chancellery and official and private activities all personnel especially Americans (see Emb desps 205 February 8 and 213 February 15 [3]).
3. False charges regarding jet and other US airplane overflights, and of espionage, for which most plausible explanation (Embtel 508 February 10 [4]) is that accusations are buildup for some early Czechoslovakian action already decided upon.

BRIGGS

---

[1] Repeated to Moscow, Paris, London, Warsaw, and Frankfurt for HICOG.

[2] Under reference here is telegram 4774 from Paris, February 12, repeated to London, Frankfurt, Moscow, Warsaw, and Praha. It reported that a high French Interior Ministry official had been informed by a reliable source of a Soviet plan of diplomatic action to be pursued in the absence of Western concessions on Germany. The alleged plan provided for the intimidation of France and Britain by vigorous diplomatic pressure on the question of German remilitarization, the denunciation of the military clauses of the satellite peace treaties, a campaign to intimidate the West German Government and people, and the rupture by Poland and Czechoslovakia of diplomatic relations with the West. (640.61/2-1251)

[3] These despatches reported in some detail on the increased surveillance of the Embassy in Praha by the Czechoslovak police and the detention for questioning of Czechoslovak staff members and servants. (124.49/2-851 and 124.49/2-1551) See also telegram 321 to Praha, Document 662.

[4] Document 664.

## No. 667

711.5849/2-1751: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRAHA, February 17, 1951—4 p.m.

525. Fact that Czechoslovak jet overflight charges [2] were true may put situation somewhat different light insofar Czechoslovak intentions concerned, since can now be argued that recent and current Czechoslovak behavior toward Embassy has been result exasperation and frustration successive US rejections Czechoslovak overflight complaints.

If jet overflight charge had been only accusation there might be better grounds for reaching above conclusion, but Embassy yesterday received new Foreign Office note dated February 16 taking invidious issue with Embassy's February 7 note in which pursuant instructions we rejected various overflight charges contained Czechoslovak communcation January 22 last. All those charges are revived and reiterated in February 16 note with special emphasis on accusation US planes have dropped secret radios destined for espionage both inside Czechoslovakia and also (because of poor aim) in Austria near Czechoslovak border. Note also reverts last summer's alleged aircraft border violations which it declares US never adequately answered, and it even includes revival potato bug charges. [3] Note ends with statement "full responsibility for overflights as well as consequences that may arise out of them rests with US Government".

This unpleasant communication may well be followed by shouts of "I told you so" when they receive (today) Embassy's note expressing regret for jet overflights. Whatever else in prospect, Communists expected capitalize utmost what they may term "belated American admission of guilt."

With reservation that weekend meditation may give us better perspective, our best Saturday morning appraisal is that since jet plane accusation only one of several, its having turned out true does not greatly change potentialities of present strained situation. That, however is on the assumption that more overflight denials are not going to blow up in our face.

---

[1] Repeated to Frankfurt, Moscow, Paris, and London.

[2] Regarding the overflight charges, see Document 663.

[3] Regarding the "potato bug" charges, see footnote 4, Document 664.

Review of Czechoslovak January 22 note and of whatever investigation undertake pursuant thereto accordingly suggested. [4]

BRIGGS

[4] Telegram 528 from Praha, February 20, reported that the local press in Praha had not mentioned the Czechoslovak Foreign Ministry note of February 16 on American overflights. Ambassador Briggs recommended that the note be ignored unless investigations being carried out by military authorities in Frankfurt revealed new information regarding the Czechoslovak charges. (711.5849/2-2051) In telegram 415 to Praha, February 21, the Department of State concurred in Briggs' recommendation. (711.5849/2-2051)

## No. 668

749.00/3-251: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

CONFIDENTIAL PRAHA, March 2, 1951—3 p.m.

546. Embtel 539, February 27. [2] A. Unveiling by Czechoslovak CP of Clementis and company as "traitors and conspirators" forecasts sensational Rajk or Kostov-type trial purposes of which would probably include:

1. Demonstration of "nationalism versus Stalinism" with latter gloriously triumphant. To extent private dreams of Czech CP leaders (including President Gottwald and Prime Minister Zapotocky) infected with this virus, we can expect heavy play possibly ending with scene labeled "interment nationalism for all time."

2. Espionage charges against west. Since nationalism alone would never convict Clementis et al in eyes general Czech and Slovak public, Communists have added espionage tag as pretext penalties to be exacted and perhaps also pretext for further moves against western missions. Charges against Sling referred repeatedly to his

[1] Repeated to Moscow, London, and Paris, and pouched to Frankfurt, for HICOG, Vienna, and Warsaw.

[2] Telegram 539 reported on recent speeches by high Czechoslovak Communist Party leaders which accused former Communist leaders Šling, Švermová, and Clementis of having attempted to organize a conspiracy to overthrow the Czechoslovak regime. The telegram suggested that the stage was being set for a spectacular purge trial in Czechoslovakia. (749.00/2-2751) This was one of many messages sent by the Embassy in Praha during 1951 (and included in file 749.00) reporting on public statements and rumors on the arrest or disappearance of high Communist party functionaries and government officials. Telegram 615 from Praha, April 6, for instance, reported rumors that within the Czechoslovak Foreign Ministry the following officials had been purged: Deputy Foreign Minister Vavro Hajdu, Chief of the Western Hemisphere Department (and Clementis' son-in-law) Jan Patek, Deputy Foreign Minister Artuz London, Ambassador to the United States Outrata, Ambassador to the United Kingdom Rufolph Bystricky, Ambassador to France Adolf Hoffmeister, and Ambassador to Israel Eduard Goldstucker. (749.00/4-651)

"Anglo-American imperialist masters". Although alleged details mentioned only British, and Clementis accused French espionage that US will be accused along with British and French can probably be taken for granted, *vide* above and also reference to field.

3. Trial as propaganda display within "struggle for peace" framework.

4. Trial as diversionary move: red herring trick seeking take public mind from domestic difficulties, scarcity of bread, etc.

B. Considering foregoing, purpose this message to urge we forthwith mount major VOA offensive in which connection it is Embassy's belief that present conjunction of circumstances provides excellent perhaps unique opportunity for hard-hitting, no holds barred, sustained offensive. For example:

1. What would really be on trial is not treason or Stalinism or even Communism but Czech patriotism. Clementis and those accused with him became anathema to Kremlin, not because they were anti-Russian but because they refused to be anti-Czech and refused subordinate welfare of Czechoslovakia to interests of Russia and Russian imperialism, all the rest—the nonsense about bourgeois deviationism, the fairy tales about espionage, and the interminable dialectical mumbo jumbo of a dozen repetitious speeches represents effort of frantic local party leadership obedient Kremlin demand to render "my country right or wrong" a crime against state (except when state is Russia). Recognize limitation on use above theme since not to our advantage represent defendants as great patriots.

Voice can imply that Gottwald himself may well have harbored heretical nationalist notions and that to save own skin he deliberately sold old friend Clementis down river. Clementis warned by western press sixteen months ago, instead he put his trust in Gottwald. Voice can hint that even with last week's frenzied efforts close ranks and exonerate President, nevertheless Gottwald, Zapotocky and Slansky themselves may still be vulnerable and only question of time until their throats are candidates for Kremlin razor, especially if they make slightest effort defend Czech interests versus Soviet interests.

2. Another theme with local listener appeal is one deprecating intelligence Russian CP leadership in forcing issue: "Stupid Ivan, he thinks Czechs are as dumb as he is". This is variation of always effective theme that interests of Russia and of captive governments not identical and that Communism (Kremlin brand) is always equivalent to swindling captives for benefit captor. In present situation however Ivan forgot that Czechoslovakia had developed intellectually and industrially far beyond Ivan's level and hence smart enough to recognize where own interests lie. By turning heat on local CP, Ivan may have won short term advantage (represented by last week's developments and charges) but what Russia actually demonstrated is that same Czech nationalism that survived for 300 years before independence in 1918, not likely be extinguishable in three years by Communist gangsters working for Russia.

3. Another theme is that fear is only fuel on which Communist apparatus can operate. Fear is powerful propellent but so corrosive that it destroys machine, unless of course incompetence at wheel has not already wrecked it. And meanwhile exhaust from motor stoked by fear is invariably terror, treachery and hate—as breathed throughout last week's sessions by CP of Czechoslovakia.

C. Other themes and variations thereof may be equally effective. Our point is that with local party perceptibly weakened by internal strife and Russian pressure, and with Czech people unhappy, disgusted and terrified to extent not surpassed since Communist 1948 *coup d'état* this is time when VOA can strike impressive blows at regime even though it must continue refrain from predicting its early overthrow.

Trial not yet scheduled, date probably depending on length of time it takes to reduce defendants to malleable consistency and obtain their "voluntary confessions". [3]

BRIGGS

[3] Telegram 552 from Praha, March 6, commented that recent Voice of America broadcasts had struck "effective blows in vulnerable areas suggested Embtel 546." (511.4941/3-651) The Embassy regularly commented on the content and focus of Voice of America broadcasts and offered suggestions for new themes and evaluations of the effectiveness of current programing. These messages are principally in file 511.4941.

## No. 669

749.00/3-3051: Airgram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET AIR PRIORITY WASHINGTON, March 30, 1951.

A-1767. For Achilles from Barnard. Re Depto 536, Feb 20. [2]

I. The following is our estimate of situation in Czechoslovakia:

1. Far-reaching Soviet control exerted over a highly industrialized and strategically important country through a mass Commu-

[1] Drafted by Vedeler and Jerabek of EUR/EE and Tims of DRS/RD and cleared by RA, RD, UNA/R, GPA, and EUR.

[2] In telegram Depto 536, Ambassador Spofford reported that the North Atlantic Council Deputies had tentatively agreed on a future exchange of views on the political situation in Eastern Europe. Spofford hoped that such a discussion would afford a common background or appreciation by NATO countries of the situation "behind Iron Curtain" and the nature and magnitude of the threat posed to the West. He requested information and material to allow his participation in the discussion. (740.5/2-2051) In addition to the airgram printed here, the Department replied with a policy statement on Romania, Bulgaria, Hungary, and Albania (telegram 4000 to London, Document 617), and a policy statement on Poland (airgram A-1615 to London, Document 746).

nist Party (proportionately largest of all communist parties in spite of recurrent check-ups and purges); control manipulated generally by subservient Moscow-trained Stalinists, many of whom are of Sudeten German or Hungarian ethnic origin, rather than by Soviet nationals; accelerated Sovietization and Russianization of institutions, education and culture since early 1950.

2. Improvement during past year in control of armed forces through energetic efforts of hard-bitten Moscow stooge, Cepicka, as Minister of National Defense; shake-up in top command and systematic purge of other levels; presence of Soviet mission estimated about 1000, headed by Soviet Military Attaché, Colonel General N.I. Gusev; reorganization along lines of Soviet armed forces; and accelerated political indoctrination.

3. Current expansion of ground forces from estimated 120,000 to 135,000 with heavy equipment steadily improving but still deficient in quality and quantity. Air Force continues to be of negligible combat importance; air fields, however, are being rapidly enlarged and improved probably as potential advanced bases for exclusive use of Soviet Air Force (Soviet land carrier) in event of war. In military training, morale and general reliability Czechoslovak armed forces are considerably inferior to Bulgarian, Rumanian and Hungarian, but aside from Air Force might be used for limited combat purposes such as against Germany. The steady increase of military capabilities is at a rate more indicative of long-range objectives than preparation for imminent international hostilities.

4. Quickened conversion of industry to requirements of Soviet imperial and military economy, marked by pronounced expansion of heavy industry at considerable expense of traditional light consumers industries; by intense efforts to increase production in mining, metallurgical, engineering, raw materials and electric power fields; and by rapid growth in proportion and volume of trade with Soviet bloc (45 percent of total foreign trade in 1949, 54 in 1950, and 60 planned for 1951). Soviet demands on industry, greatly increased by new five year trade agreement with Soviet Union (November 1950) and supplementary protocol for exchange of goods in 1951 (March), are resulting in severe shortages of manpower and raw material supplies, depressive effects on standard of living, and heavy strain on entire economy, administrative apparatus, and popular attitude. Collectivization is now extended to about 20 percent of arable land, although against bitter resentment of peasantry.

5. Extinction of organized resistance of general importance, although some highly localized armed opposition apparently exists in Slovakia. While Roman Catholic Church is only nation-wide anti-Communist organization still to survive, it is being beaten into submission and brought under effective state control. Passive nature of Czechs, high proportion of urban workers, and discernible influence on youth of Communist educational and informational monopoly assist Soviet domination. Population in general looks to war as only means of early liberation.

6. Vulnerabilities include strength of democratic and humanist traditions, growing aversion to the regime, particularly because of progressive regimentation and Sovietization, continued penetration of Curtain through widespread reception of Western broadcasts,

and unreliability of large segments of the Mass Communist Party. While there are certain tensions within Communist Party leadership arising from personal differences and rivalry, varying conceptions of speed versus gradualism in moving toward a complete Communist state, and of nationalism versus Stalinism in relations with Moscow, high-level Communists are firmly controlled by and dependent upon Kremlin. Present difficulties in Czechoslovakia are interpreted largely as consequences and demonstration of Moscow's dissatisfaction with performance of local Communist regime in production, deliveries and management of economy, as well as with insufficient records of absolute conformity on part of certain Communist officials rather than serious internal situation with prospect of Titoist defection. Even in case of war the only overt resistance which may develop would probably be in the Slovak mountains of proportions not constituting a significant liability to the Soviet Union.

II. US Policy Toward Czechoslovakia is to:

1. Pursue objectives and policies, *mutatis mutandis*, as set forth with respect to Poland in Department's airgram No. A-1615 of March 10, 1951; [3] and in addition to

2. Exert constant and, wherever feasible, increasing pressure on the Communist regime chiefly by exposing through Czech-Slovak language broadcasts its nihilism, fraudulence, servility, lack of moral scruple, disregard of civilized standards and responsibility for specific offenses in violation of the country's traditions of probity and humanism.

3. Attach even more importance to VOA operations directed to Czechoslovakia than to those for other countries of the Soviet bloc because of the widespread radio facilities in Czechoslovakia, established national habits of listening to Western broadcasts, and attenuated line of contact otherwise available.

4. Take no position with regard to the future constitutional relationship of Slovakia with the Czech lands other than that this is considered a matter for the Czech and Slovak peoples to determine themselves of their own free choice following liberation from the present regime and that until such free determination is possible we must continue to deal with the concept of the territorial state of Czechoslovakia.

5. Encourage the assimilation of the Sudeten German population of the German Federal Republic (some two million) into German economic and political life so that it will not maintain a separate identity with a view to eventual return en masse to the Sudeten area of Czechoslovakia, although the US recognizes the inhumane aspects of the transfer as it was carried out and that this issue will be a continuing source of friction between Czechoslovakia and Germany for some time.

6. Make every effort to facilitate the early resettlement of the large number of Czechoslovak refugees in Germany and Austria as well as to assure their protection until they may be resettled.

---

[3] Document 746.

III. Cooperation and coordination among NATO countries is regarded as especially desirable in:

1. Maintenance, operations and protection of Western diplomatic missions in Prague, particularly in applying principle of reciprocal treatment.
2. Application and continuing review of trade export controls in order to achieve maximum benefit to West.
3. Development of defensive measures against growing Czechoslovak discriminatory trade practices, dumping and aggressive trade negotiations, taking into account special difficulties raised by membership of Czechoslovakia and majority of NATO countries in GATT.
4. Implementation of agreed civil aviation policy toward Czechoslovakia. [4]

[Barnard]
ACHESON

[4] Telegram Depto 836 from London, April 26, reported on the North Atlantic Council Deputies 32d meeting of April 25. One of the items taken up during the meeting was the situation in Czechoslovakia. The views of the Deputies were generally in agreement with the substance of the airgram printed here. (740.5/4-2651)

## No. 670

*Editorial Note*

William N. Oatis took up his position as Associated Press correspondent in Praha, Czechoslovakia, in June 1950, and almost from the beginning of his assignment he reported being subjected to harassing tactics by Czechoslovak authorities. During March and April 1951 he reportedly came under close surveillance by the police, and three Czechoslovak nationals on his staff were arrested. Immediately after the American Embassy in Praha was informed on April 25 that Oatis had not been seen either at his office or residence since April 23, oral representations were made to the Czechoslovak Foreign Ministry and a formal note was presented requesting an immediate investigation. On the following day, the Foreign Ministry informed the Embassy that Oatis was detained for having carried out activities hostile to the Czechoslovak State involving the use of Czechoslovak employees of the Associated Press office in securing and verifying "secret" reports, acquiring and disseminating illegal press material, and utilizing Czechoslovak employees for similar purposes.

The Embassy, immediately thereafter, expressed astonishment at the arrest of Oatis on such charges, reserved rights on his behalf, requested permission for a consular officer to visit him, and asked

whether an American lawyer would be permitted to represent him in Czechoslovakia. The Foreign Ministry replied by denying the request for consular access on the grounds that according to existing law a visit could not be permitted at that stage of Oatis' investigation. At the same time the Foreign Ministry stated that any person chosen to represent Oatis would have to be a Czechoslovak lawyer qualified to appear before a Czechoslovak court.

The correspondence, records, and reports dealing with the Oatis case are largely gathered together in file 249.1111-Oatis, William. Some of the documentation is also included in file 249.1122-Oatis, William. The arrest, trial, and attempts to obtain the release of Oatis during 1951 are discussed in Briggs, *Farewell to Foggy Bottom,* Chapter V. Major meetings and documents dealt with by Briggs are documented in this compilation.

---

## No. 671

249.1122-Oatis, William/4-3051: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, May 2, 1951—5 p. m.

565. We have held back from suggestions for action Oatis case [2] in hope might be more light on real reasons for arrest and because uncertainty as to best time for any step. Recognize this may be part build-up in connection Clementis affair [3] or attempt deal on Vogeler model. [4] In either event strong action on our part at proper time probably necessary. Czech move has aroused strong reaction here in both press and Congress.

While wishing avoid any measure that might only impair chances Oatis' release in long run and taking into account risks eventual break in relations if retaliatory chain reaction is set off (ur Unnumbered tel, Apr 26, 6 p. m. [5]) we raise question whether forceful response at this point even prior to any trial may not be desirable let Czechs know how serious matter is in our view. In our estimate situation we believe Kremlin does not presently desire

---

[1] Drafted by Vedeler of EUR/EE, cleared by SA/M, PD, and EDS, and approved by Deputy Assistant Secretary Bonbright and Deputy Under Secretary Matthews. Repeated to Frankfurt for HICOG.

[2] See the editorial note, *supra.*

[3] See telegram 546 from Praha, Document 668.

[4] For documentation on the release from Hungarian custody of Robert Vogeler, see Documents 723 ff.

[5] Not printed.

break in relations satellites with US which seems borne out by attitude Hungary in Vogeler case.

We have in mind fol series retaliatory measures:

1. Prohibition travel non-official US citizens to Czech and request immed departure those already present there including UP Rep.
2. Detention or expulsion former Czech consular personnel or other agents in Germany (Deptel to Frankfort 7262, Apr 27, rptd Praha 553 [6]).
3. Embargo on US exports Czech.
4. Blocking, without vesting, Czech assets in US.

Of these, first cld be put into effect at once and no question our ability adopt third recourse. Feasibility second and fourth now under consideration; if no bar in these cases we wld take four steps in order indicated or in so far as might be necessary obtain favorable action. Last expedient wld very likely produce heavy impact since it wld forestall in large measure econ relations with US and also interfere with transactions involving third countries.

We agree fully ur view protest alone futile and suggest, therefore, serial course action beginning with adoption next few days first step above. This wld be followed up by personal call on President Gottwald with approach along fol lines:

"Arrest Oatis, which follows imprisonment Jan Hvasta, [7] represents climax in series developments affecting status US citizens Czech. This jeopardy US citizens in your country has become intolerable. In view finally what has happened Oatis US Govt has prohibited travel non-official US citizens to Czech and requested departure those already present there. I must emphasize continuing imprisonment Oatis and other Americans is producing a very strong effect on public opinion in US and my govt is obliged to act accordingly in matter. His early release cld help to check this development and make an important contribution to settlement general problem."

You might also find it useful point out speedy action this matter wld reduce likelihood extensive publicizing issue on both sides that wld only complicate problem.

In view your counsel caution (Emb reftel unnumbered) wld appreciate comment on above earliest. Since not yet clear as to course we shall follow no formal press statement has been issued; share ur

---

[6] Not printed.

[7] John Hvasta, born in Czechoslovakia, was a naturalized U.S. citizen through the naturalization of his mother. After serving in the U.S. Navy in World War II, he returned to Czechoslovakia in 1948 and worked for a time as a local employee of the Consulate General at Bratislava. He was arrested by Czechoslovak authorities in October 1948 on charges of espionage, was tried in May 1949, and was convicted and sentenced to 3 years imprisonment. The sentence was subsequently extended to 10 years. Throughout 1949, 1950, and 1951, the Embassy in Czechoslovakia sought unsuccessfully to have Hvasta's sentence commuted to expulsion from Czechoslovakia.

view undesirable magnify publicity this juncture (urtel 680, Apr 30 [8]). We have kept to bare facts case and summary your notes; on VOA now stressing force public reaction here to outrageous conduct Czechs.

ACHESON

[8] Not printed.

## No. 672

249.1111-Oatis, William/5-451: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

SECRET PRIORITY PRAHA, May 4, 1951—2 p. m.

693. Pending Czech statement on Oatis case most plausible explanation (Deptel 565, May 2 [1]) is that arrest is part of continuing campaign discredit West in eyes Czechoslovak people, specifically by supporting Commie assertions, proclaimed daily, that Western Powers, US in particular, engaging anti-state activities and espionage. Within that general framework, Dept will recognize Czech Govt undoubtedly irritated activities correspondents over considerable period. Proper reporting from Commie viewpoint wld be acceptance official handouts and unquestioning transmission thereof abroad, whereas Western correspondents have resisted propaganda, sought facts and reported rumors including some latter confirmed and some not. To put stop to such reprehensible and "unobjective" conduct, govt may well have decided make example Oatis and simultaneously intimidate his colleagues.

Then there has been report (unverified) that Oatis recently arrested Czech employees had some undisclosed connection subversive elements and AP office used by such elements (Embtel 669, Apr 27 [2]); that alone wld be regarded very seriously by police and wld be sufficient explain arrest Oatis.

Foregoing does not exclude possibility Oatis may face roie Clementis trial, or that arrest may be step toward elimination all

[1] *Supra.*

[2] Telegram 669 reported that during the 4 weeks prior to Oatis' arrest, three Czechoslovak citizens on the Associated Press staff in Praha had been arrested and a fourth had disappeared the same day as Oatis. The Embassy had learned that the Czechoslovak police may have discovered past or current connections between such Czechoslovak employees and subversive groups within Czechoslovakia and that the Associated Press office may have been used as a meeting place, perhaps without the knowledge of Oatis. (249.1122-Oatis, William/4-2751)

Western correspondents from Czechoslovakia, or even that arrest may be deliberate move toward rupture diplomatic relations.

With ref Dept observation Kremlin presently undesirous satellite break with US, little evidence here to back that estimate. Czechoslovak conduct uniformly truculent and provocative, for example recently toward Yugo and France, almost as if daring Western Powers to put up (break relations) or shut up (remain here on Czecho's terms). To tough, unscrupulous individuals now running Czechoslovakia as Moscow satrapy, indignation US public and govt over Oatis case impressive only to extent they believe it foreshadows US action which if taken wld be painful to them or their interest.

Chances obtaining Oatis release prior trial thus seem small (as indicated Embtel 680, Apr 30 [3]) and the more so since whatever may be purpose behind arrest, that purpose not likely be achieved by Czecho without public proceedings perhaps including spectacular accusations, confessions and other accessories "Commie justice". Nevertheless, any public indication by your govt at this time that it has prejudged case not in Oatis interest because might force Czecho demonstrate guilt.

Notwithstanding foregoing, because US inactivity might be misinterpreted by Czecho as indifference, I now believe it worthwhile seek opportunity make fol points—Dept's attention being called to fact that thus far there has been no local publicity Oatis arrest and hence no freezing Czecho position; shld Praha publicity occur as may at any time, position correspondingly more difficult and prospect pretrial release reduced even further:

1. Seriousness with which US public and govt view case, seeking thereby impress govt inevitability US action if case not settled.

2. Unconvincing character of FonOff complaint against Oatis, as contained Czecho Apr 25 note. [4] For example, accusation Oatis gathered and disseminated secret info ignores fact AP operation to and from Praha openly recorded and at all times available Czecho Govt. Similarly charge spreading malicious info thru illegal news material overlooks fact AP serves directly no publication in Czecho; AP news is distributed by official agency Ceteka. Furthermore Oatis lived and worked center Praha always in open and in view Czech auths at all times. Nothing remotely clandestine about his operations, much less "hostile Czech state."

3. Foreign correspondent is quasi-official figure occupying public position, as witness official accreditation by Info Min Czecho Govt. Hence correspondent entitled special consideration and treatment. If receiving govt dissatisfied, remedy is withdrawal accreditation or expulsion, as Czecho Govt itself well knows since it has hitherto

[3] Not printed. (249.1122-Oatis, William/4-3051)

[4] See Document 670.

followed that procedure in numerous cases arising during past year. Furthermore, although there were delays 1950 over maintenance Oatis accreditation, that accreditation renewed Jan 1951 and renewed again (until June 30) only one week before his arrest.

Oral statement wld conclude with declaration therefore US Govt confidently expects Czecho will forthwith release Oatis and permit him leave country.

Whether foregoing approach produces Oatis release seems highly doubtful, as already indicated. Nevertheless on balance I favor making attempt and unless otherwise instructed will on May 7 request FonOff appointment.

Deptel 565, May 2 recd so badly garbled last half not available until this morning. Further comment follows. [5]

BRIGGS

---

[5] In telegram 696 from Praha, May 5, Ambassador Briggs commented further on possible measures to be taken in the Oatis case, suggesting that a call on President Gottwald would serve better as a last resort rather than as an initial gambit. He offered the view that American efforts to obtain the release of Oatis would have the best prospect for success after Oatis' trial, provided such a trial was not indefinitely postponed. After analyzing in some detail the efficacy of the various measures which might be used to persuade Czechoslovak authorities to release Oatis, Briggs concluded with the following summary comment:

". . . conditions here limit practical steps our govt can take. Important therefore we not dissipate energies by faulty timing or premature move, and equally that we avoid over-estimating effect of measures we can take.

"My associates in Emb and I deeply sympathize Oatis and his family. We share their and AP's concern his welfare. I personally favor toughest policy that makes sense in terms helping Oatis and simultaneously avoids reckless invitation rupture relations which prove anything but helpful to Oatis." (249.1111-Oatis, William/5-551)

Telegram 573 to Praha, May 7, drafted by Vedeler and approved by Bonbright, expressed recognition of the difficulty in determining the type and timing of retaliatory measures in the Oatis case, concurred in the line of representations proposed here by Briggs, but expressed determination to undertake measures should Briggs' representations have no positive results. (249.1111-Oatis, William/5-451)

## No. 673

601.4911/5-451 Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, May 4, 1951—8 p. m.

570. Vinar, Czech Chargé here, called on Asst Sec Perkins today to present two notes. One requests agreement for Dr. Vladimir Pro-

---

[1] Drafted by Vedeler of EUR/EE, cleared by EUR/RA, and approved by Assistant Secretary of State Perkins and Deputy Assistant Secretary of State Bonbright. Repeated to Brussels.

chazka, Vice President Czech Natl Assembly and Prof Law Charles University, as new Amb. [2] Other seeks to open negots Washington on basis prelim discussion delegs IARA with view to transfer US Govt Span pesetas (roughly 10 million) already allocated or to be allocated Czechs as reparation from enemy property Spain in return for reduction Czech's surplus property debt by dollar equivalent transferred pesetas.

Asst Sec took occasion to say he wanted Chargé to know great concern of Dept at what had happened to Oatis. Chargé replied he wld report this to his govt and added Oatis wld be given good treatment according to facts of case and Czech law. He said Dept cld be sure Czech Govt had no intention obtain bad publicity in this country and worsen relations with US Govt. Our impression these remarks made entirely on his own initiative and he has no info or instrs from FonOff about matter.

Request for agreement and approach re transfer pesetas being studied from standpoint possible leverage in Oatis case.

ACHESON

[2] Czechoslovak Ambassador Vladimir Outrata left the United States on February 18, for what he described as a "brief visit to Czechoslovakia". (Note from Outrata to the Secretary of State, February 18, 601.4911/2-1751) On March 8 Outrata paid a courtesy call on Ambassador Briggs in Praha. Outrata, who seemed ill at ease, carried on a "desultory" conversation on aspects of American-Czechoslovak relations and explained to Briggs that he was in Praha for routine consultation and would return to Washington in about 10 days. (Telegram 556 from Praha, March 8, 611.49/3-851) On April 2, Czechoslovak Charge Vinar called at the Department of State to give informal notification of the recall of Ambassador Outrata. Vinar, who appeared to be unusually nervous and ill at ease during the call, adverted to press stories concerning Outrata's recall and sought to refute the charge by the Ambassador's former chauffeur that the Ambassador and his wife had been denied use of the Embassy automobile. (Memorandum of conversation by Vedeler, April 2, 601.4911/4-251) The note under reference here, dated April 30, is filed separately in file 601.4911/4-351.

## No. 674

249.1111 Oatis, William/5-1651: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

CONFIDENTIAL PRIORITY PRAHA, May 16, 1951—5 p. m.

721. Oatis case discussed with FonMin Siroky for nearly two hours this morning. After summarizing Dept's views thereon and mentioning that I assumed Siroky had surmised purpose visit (to which Fon Min assented, stating that Vinar had in fact reported

conversation in Dept on May 4—Deptel 570 [1]) I requested on behalf my govt that Oatis be forthwith released.

Substance Siroky's reply as fols:

1. Accusations against Oatis unconnected job as correspondent but involved alleged efforts obtain secret info on Czech security and armed forces. Had correspondent activities been in question cancellation accreditation and expulsion in order, but in existing circumstances must stand trial which expected begin "within ten days".
2. Oatis has confessed.
3. Prior trial Consular access denied "in accordance practice US, Great Britain, France, etc".
4. Oatis in good health.

To which I replied as foreshadowed Embtel 693, May 4 [2] emphasizing concern over continued arrest and also unsatisfactory nature above info, having in mind detention already extending beyond three weeks, strong doubts that wld be entertained in US as to likelihood Oatis involved in activities summarized in (1) above, and continued failure grant access which I informed Siroky wld undoubtedly be interpreted in connection with alleged confession.

After considerable argument resulting however only in restatements by FonMin of items 1 to 3, Siroky said that in advance two FonOff notes shortly to be recd by Emb he wished observe Oatis case occurring at time when atmosphere unfavorable viz. (1) There has recently been "inexcusable violation" of Czech frontier which had been penetrated from US Zone Ger to depth of approx 80 meters, only Czech forbearance preventing "serious incident"; and (2) Recent US sponsored broadcasts from Ger by Czech *émigrés* "and other traitors" were openly inciting to revolution. [3]

Asked what this had to do with Oatis case, Siroky reiterated these matters affected atmosphere. Thereupon dropped subjects until just before my departure.

I continued to press for more satisfactory handling of Oatis case and Siroky finally said investigation nearing completion, wld be concluded by end this week; he wld then study full dossier and discuss case with me again prior trial. In meantime he regretted not possible under Czech law grant access to Oatis but repeated I had his word Oatis well.

When I thereupon prepared depart, Siroky again referred, as sort of final shot, to broadcasts from Ger as constituting influence not propitious solution Oatis case.

---

[1] *Supra.*

[2] Document 672.

[3] The two topics raised by Siroky were actually the subject of a single Czechoslovak Foreign Ministry note of May 21; see the editorial note, *infra.*

Comment follows. [4]

BRIGGS

[4] In telegram 723 from Praha, May 16, Briggs commented that the conversation with Široký had developed approximately as anticipated, suggested that retaliatory action be deferred for a brief period to test Široký's intentions, and observed that Široký's reference to RFE broadcasts from Germany was not haphazardly introduced and might portend an attempt to bargain Oatis' release for the ending of the broadcasts. (249.1111-Oatis, William/5-1651) Telegram 593 to Praha, May 18, drafted by Vedeler, replied that Czechoslovak authorities might be attempting to "blackmail" the United States in the Oatis case with a view to obtaining abandonment of RFE broadcasts to Czechoslovakia. The Department agreed with Briggs' suggestion (made in telegram 723) that in any discussions with Czechoslovak officials it should be insisted that RFE was a private organization for which the United States was not responsible and its activities had no connection with the Oatis case. (249.1111-Oatis, William/5-1651) Briggs sent further observations on his conversation with Široký on May 16 to the Department in despatch 309 from Praha, May 17. (249.1111-Oatis, William/5-1751)

## No. 675

*Editorial Note*

During Ambassador Briggs' call upon Foreign Minister Široký on May 16 to discuss the Oatis case (see telegram 721 from Praha, May 16, *supra*), Široký raised the questions of alleged border violations by American troops and hostile broadcasts by Radio Free Europe. On May 21, Czechoslovak Acting Foreign Minister Sekaninova handed Briggs a lengthy note alleging that the United States was responsible for a campaign of "espionage, sabotage, and other hostile activity" against Czechoslovakia. The note charged: (1) that the United States was allowing its facilities to be used by Radio Free Europe for a recently inaugurated broadcasting campaign beamed into Czechoslovakia, (2) that a group of United States soldiers violated the Czechoslovak frontier on May 5 near Marianske Lazne and observed frontier installations and took photographs, and (3) that the West German Government, at the direction of American authorities, was assisting Western agents illegally crossing the Czechoslovak frontier. (Telegram 734 from Praha, May 21, 749.00/5-2151) For an unofficial translation of the text of the Czechoslovak note, which was released to the press by Czechoslovak authorities, see Department of State *Bulletin*, September 10, 1951, page 421. The note was summarized and extensively quoted in the *New York Times*, May 23, 1951. For Ambassador Briggs' comments on the note and the circumstances related thereto, see telegrams 214 and 754 from Praha, Documents 678 and 679.

Following telegraphic consultations with the Department of State, Ambassador Briggs delivered a note to the Czechoslovak For-

eign Ministry replying to the Czechoslovak note of May 21. The June 19 note stated in part that "the United States Government cannot accept the view that a responsibility exists to require Radio Free Europe or any private American radio organization to transmit only what will please the Czechoslovak authorities. The Czechoslovak Government will doubtless appreciate that freedom of expression whether of the press, radio, or individual utterance, constitutes a fundamental principle of American democracy, indeed of the Western democracies generally. . . . It is not, therefore, possible or desirable to exercise control over these organizations in violation of the principle of freedom of information." The note of June 19 also observed that the frontier violation complained of by the Czechoslovak Government was "unintentional and inadvertent" on the part of American military personnel unfamiliar with the frontier segment, and that all possible steps were being taken to prevent a recurrence of the incident. The note went on to add that the United States would not tolerate the violation of the United States Zone of Germany by Czechoslovak personnel, called attention to two recent flagrant violations of the frontier by Czechoslovak forces, and asked for disciplinary action and a report on preventive measures taken. For text of the Embassy's note of June 19, see Department of State *Bulletin*, July 2, 1951, pages 12–13 and 35.

In a lengthy, 11-page note of July 21 to the Embassy in Praha, the Czechoslovak Foreign Ministry responded to the Embassy's note of June 19 and renewed the accusations made earlier in its note of May 21. For an unofficial translation of the text of the July 21 note, see *ibid.*, September 10, 1951, pages 418–421. Acting on instructions from the Department of State, the Embassy replied to the Czechoslovak Foreign Ministry in a note of August 24. The Embassy's note stated that the United States was unalterably committed to the basic principle of freedom of information, and that under the United States Constitution there was an inherent right to criticize the United States Government and its policies, as was constantly done by such publications as the *Daily Worker* (the official organ of the Communist Party of the United States). The note observed that the Czechoslovak Government was "apparently unable to allow such criticism by publications under its jurisdiction and is seeking to prevent such criticism from the press or radio of other countries". The Embassy note of August 24 also commented on the unwillingness of the Czechoslovak Government to acknowledge the fact of Czechoslovak frontier violations mentioned in the Embassy's note of June 19 and indicated that such an attitude was hardly conducive to border tranquility and was "unacceptable to the United States". The note went on to declare that the United States Government would take every precaution to prevent any future

border violations, and appropriate remedial action in case of any inadvertent violations. In turn, the United States Government expected the Czechoslovak authorities to deal "with such problems in an equally correct manner". For text of the Embassy's note of August 24, see Department of State *Bulletin*, September 10, 1951, pages 417–418.

Documentation on these matters is principally in files 749.000 and 611.49.

---

## No. 676

249.1111-Oatis, William/5-2351: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

CONFIDENTIAL PRAHA, May 23, 1951—8 p.m.

744. Emb today sent note to FonOff replying communication quoted Embtel 732, May 21: [1]

"Emb US presents compliments etc. and refers Min's note May 21, which stated that Amer radio broadcasts had transmitted malevolent and untruthful interpretation of conversation on May 16, between FonMin and Amer Amb concerning Mr. Oatis, [2] and that therefore Min saw no reason for case of Oatis to be subj any further discussion.

"Emb is astonished at importance attached by Min to public speculation concerning conversation between FonMin and Amb. Emb's report to Dept of State describing conversation was accurate report and did not contain any statement to effect Czech Govt wld release Oatis if broadcasts of RFE were stopped. Dept on its own initiative informed press on May 21, '51, it had no knowledge any Czech proposal this nature. More explicit denial might have been difficult for reason that RFE had in fact been mentioned by FonMin. RFE was mentioned on two occasions by Siroky during Amb's conversation on May 16, seeking release of Oatis, as creating unfavorable atmosphere. Amb so reported to his Govt.

"With respect to origin report to which Min's note takes exception, Emb's info is that report came in first instance from Vienna, not Wash.

"Emb accordingly requests that FonMin kindly renew discussions in case of Oatis with Amb, in accordance with Min's offer made during aforesaid conversation on May 16.

"Emb avails etc."

FonMin Siroky again in Slovakia to return May 28. In meantime we are sending separate note stating if notwithstanding continuing

---

[1] The substance of telegram 732 is contained in the second paragraph of the Embassy note quoted in the telegram printed here. (249.1111-Oatis, William/5-2151)

[2] See telegram 721, Document 674.

representations Czecho Govt insists Oatis trial, then advance notification requested and arrangements by FonOff for presence Emb officials and interpreter (VC Johnson and Mary Horak).

Greatly appreciates Deptel 598 and 602 [3] re efforts ascertain origin "RFE for Oatis" story.

BRIGGS

[3] Dated May 21 and 22, respectively; they reported that the Department of State had not been able to ascertain the origin of reports concerning a possible "Oatis for RFE" exchange and that the Department itself had not been the source. (249.1111-Oatis, William/5-2051 and 5-2251)

## No. 677

601.4911/5-2351

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State* [1]

TOP SECRET [WASHINGTON,] May 23, 1951.

Subject: *Agrément* for a new Czechoslovak Ambassador

*Discussion:*

Since May 4 when the Czechoslovak Chargé here presented a note requesting an *agrément* for Dr. Vladimir Prochazka as Ambassador to the US to replace Dr. Vladimir Outrata, [2] the Department has given consideration to this matter in relation to the arrest of Oatis. We have reached the conclusion that an *agrément* should be granted regardless of the Oatis case. We doubt that its denial would exert influence in favor of Oatis' release. In any event, experience shows this is neither an effective nor appropriate means of exerting pressure on another government particularly such as the present Czechoslovak Government and, in the long run, creates as much or more difficulty for us than for the other government concerned. Lest the Czechs infer from receiving an *agrément* as a matter of course that little importance is attached to the release of Oatis, the Department is planning to announce its first retaliatory action at the same time as the Czechs are informed of the granting of the *agrément*. This counter-measure will consist of a prohibition on the travel of non-official US citizens to Czechoslovakia and the request for the immediate departure of those already there. [3]

[1] Drafted by Vedeler of EUR/EE.

[2] Regarding this note, see telegram 570, Document 673.

[3] Regarding the action invalidating American passports to Czechoslovakia, see Document 682.

*Recommendation:*

That you sign the attached letter recommending to the President an *agrément* for Dr. Prochazka. You may also care to bring informally to the President's attention the foregoing information concerning the action planned to accompany our granting of the *agrément.* [4]

[4] At his meeting with President Truman on May 28 to consider important foreign policy problems, Secretary Acheson took up the matter of an *agrément* for a new Czechoslovak Ambassador. According to his brief memorandum, the Secretary showed the President his formal letter to the President requesting an *agrément* for Vladimir Procházka as the new Czechoslovak Ambassador and also presented to the President the suggested procedure contained in the memorandum printed here. The President indicated his approval on the Secretary's letter to him. (Memorandum of conversation by the Secretary, May 28, Secretary's Memoranda, lot 53D444; letter from the Secretary to the President, May 28, 601.4911/5-2851)

## No. 678

611.49/5-2451: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Office of the United States High Commissioner for Germany, at Frankfurt* [1]

SECRET PRAHA, May 24, 1951—5 p. m.

214. Seems important know who's kidding whom and in particular that at this stage US-Czecho relations Amers don't kid each other. This observation with ref Heidelberg's nr 9 to Prague (nr 48 to Dept). [2]

When Vice Min Sekaninova gave me Czech note May 21 I observed my govt of course does not condone border violations and that, although on face of it incident described seemed relatively unimportant nevertheless Emb wld immed seek clarification.

I told her that when FonMin Siroky first spoke of incident during conversation on May 16, I assured him prompt investigation and accordingly on same day Emb reported matter by tel even though FonMin had not been able supply such detail as exact place incident had allegedly occurred.

Heidelberg's nr 9 confirms Emb's belief incident lacks importance from our point of view (rpt from US point of view) but fails eradicate conclusion serious carelessness perhaps involved on part

[1] Repeated to the Department as 748, which is the source text.

[2] This telegram reported that a complete investigation by U.S. Seventh Army authorities of an inadvertent crossing of the Czechoslovak frontier by U.S. Constabulary soldiers on May 4 indicated that the latter were unaware they had crossed into Czechoslovak territory. (749.00/5-2351) Regarding the incident and the Czechoslovak protest of May 21, see Document 675.

US frontier personnel. Siroky told me for example that there are not only border markers at crossing point but also frontier gate around which vehicles had deliberately been driven. Even without gate, our border personnel ought to know exactly (not approx) where frontier runs. In present temper, Czechs might well have fired on and wiped out entire US patrol. That may have been in Siroky's mind when he referred "forebearance" Czecho personnel and he implied that next time forebearance likely not forthcoming.

BRIGGS

---

## No. 679

749.00/5–2551: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

CONFIDENTIAL PRAHA, May 25, 1951—10 a.m.

754. 1. Whether or not Czech RFE note (Embtel 734 May 21) [1] constitutes fundamental challenge involving maintenance this mission, local Commies undoubtedly consider it important propaganda vehicle even though idea of Commie government accusing non-Commies of inciting to revolution seems somewhat ironic. Picture of Sov satellite raising formal published objections to propaganda which crosses natl frontiers is equally ironic in light overwhelming evidence (including no doubt published statements by Sov Commie theoreticians) that world wide propaganda one of principal instruments of Comintern and of present day Cominform and in view fact officially sponsored Czecho foreign broadcasts demonstrate no restraint on part Czechs to broadcast propaganda across natl boundaries. These thoughts may serve Voice pending official US reply to note.

2. As for tactics assume our reply when made will likewise be with eye to gallery but we see little profit in making hasty reply. While certain advantages might accrue to having reply single package nevertheless since Commie note covers three items we cld extend period our response by sending separate notes, first of which might be on Czech complaint charging border violations. If our info correct Czech border personnel are constantly crossing to Ger side and strong case cld probably be made (after stating that of course US does not condone border violations) by citing series Czech visitations for everything from cigarettes to borrowing Waidhaus phone for msg to girl friend.

---

[1] Regarding the Czechoslovak note of May 21, see Document 675.

In reply to Czech point three on espionage we cld doubtless likewise if deemed advisable produce telling response citing Czech transgressions (for example Heidelberg's Nr 47 to Dept, rptd Nr. 8 to Prague [2]).

In regard both points two and three Czech complaint, Emb confident strong convincing cases can be made and recommends separate replies first of which to be made if possible within about ten days of my [*May*] 21 note.

3. Czech complaint against RFE self-evidently contains more substance and if not bluff it raises issue muzzle RFE or abandon Emb.

Suggest as first move US announcement Prochazka agreement [3] since Czecho can be made look rather silly simultaneously striking menacing pose and arranging send new amb Wash. Thereafter Dept or Emb cld indicate orally in due course to Czecho that RFE complaint receiving careful investigation and arrival new Czech amb will provide opportunity discuss situation and exchange views. Purpose this slow-motion procedure wld be permit situation cool while we simultaneously explore it. Recognize danger explosion instead if our delay too protracted, especially if RFE continues build bonfires and toss firecrackers into local wigwam.

4. If RFE does constitute fundamental challenge, then danger point maintenance relations may be in period beginning with Czech receipt US reply on RFE operations. As already reported our impression is that Czecho may not be averse break but wld prefer final step by us rather than them; we also aware Czecho capable producing break any time by creating intolerable provocation.

5. We emphasize foregoing issues go considerably beyond Oatis case solution of which nevertheless hope can be actively bought notwithstanding other considerations. For that reason and also because reluctant leave so offensive communication as FonMin's note quoted Embtel 732 May 21 [4] unanswered on record, Emb sent communication (Embtel 744 May 23) [5] in effect calling Siroky's exposition our interview distorted and reiterating request renewal Oatis discussion. As indicated Embtel 737 May 22, [6] chances early Oatis release do not seem bright but we nevertheless seek take every possible step that might help that direction. Not intended make public our note unless FonOff shld give out their May 21 note which seems improbable.

BRIGGS

---

[2] This telegram reviewed Czechoslovak intelligence activities in West Germany during the 1949–1951 period. (749.00/5–2351)

[3] See Perkins' memorandum to the Secretary of State, Document 677.

[4] Not printed, but see footnote 1, Document 676.

[5] *Ibid.*

[6] Not printed.

## No. 680

249.1111-Oatis, William/5-2651: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, May 26, 1951—6 p.m.

612. Believe your note Embtel 744 May 23 [2] was good stroke in endeavor reopen discussions with Siroky in Oatis case. FonOff apparently cabled Czech Emb here at once to verify your statement about our not being responsible for radio and newspaper reports on RFE and Oatis.

Chargé Vinar telephoned Dept May 25, proceeding circuitously by initially requesting info on various means by which Dept made official statements and eventually reaching question publicity linking RFE and Oatis. He was assured Dept made authoritative comments without formal releases giving prepared text or statement by Sec at press conferences (neither of which was done in disclaiming knowledge any Czech proposal re RFE and Oatis), and Dept had stated in response inquiries press representatives we had no knowledge any such proposal. Dept's representative added if this not printed it was owing to conclusion by press correspondents matter not of news value. Bearing in mind Urdesp 309 May 17 [3] and Czech avoidance publicity re Oatis developments, Dept's representative concluded conversation by pointed comment we had had nothing to do with radio and press stories alleging Czech proposal RFE for Oatis deal, had not publicized Oatis case (Vinar noted he had seen very little in press by way Departmental utterances), and were concerned about sensational or unreliable reports on subject but we did not control what appears in press as he would doubtless realize from his experience here.

ACHESON

---

[1] Drafted by Vedeler (EUR/EE) and cleared with McDermott (SA/M) and Reinhardt (EUR/EE).

[2] Document 675.

[3] Not printed.

## No. 681

611.49/5-3151

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State* [1]

TOP SECRET [WASHINGTON,] May 31, 1951.

Subject: Decision on Policy Toward Czechoslovakia.

*Problem:*

The problem is to reach a decision on policy toward Czechoslovakia in view of the implications of the Czechoslovak note of May 21 charging the US Government broadly with hostile incitement from Western Germany against Czechoslovakia and its people, and elaborating two specific cases of such hostile activity in the RFE broadcasts and an alleged border violation on May 4.

*Discussion:*

The substance of this note was mentioned by the Czechoslovak Foreign Minister in a meeting with Ambassador Briggs on May 16 with reference to the Oatis case but it would probably have been presented in any event. The impulse to the message was doubtless the inauguration on May 1 of RFE Czech and Slovak language broadcasts from a location near Munich. A directional antenna beamed toward Czechoslovakia with a power of 135 kilowatts transmits programs amounting to a total of about eleven hours each day. It is apparent from the Czechoslovak note that the RFE transmissions from Munich have made a real impact and that the Czechoslovak authorities regard this as a climactic step in a campaign of mounting US efforts against the regime. They are thus reacting strongly against our increasing pressure which also includes hard-hitting VOA programs and mounting unconventional activities.

The Czechoslovak Communists may be admonishing us, in their own jargon, to halt or suffer the consequences. The issue appears to be whether we should stop and retreat, or proceed ahead with a prospect of intense strain on our relations with the Czechoslovak Government and a possible break in these relations in the not too distant future. Because of our position in Western Germany adjoining Czechoslovakia, the general distribution of radio facilities in

[1] Drafted by Vedeler of EUR/EE, cleared by Higgs of EE and Deputy Assistant Secretary Bonbright, and concurred in by the Policy Planning Staff, the Office of the Deputy Under Secretary of State for Political Affairs, the Deputy Director of Central Intelligence, and the Acting Chief of Staff of U.S. Army Intelligence. Signed personally by Secretary Acheson.

that country, and its particular receptivity to appeal from the West, we have concentrated heavily in our pressure on the Communist regime in that country. The Czechoslovak response now may therefore well constitute a test of our intentions with respect to Czechoslovakia alone and not represent an omen of the same effect at this time on US relations with other satellites.

The Department has found, and continues to find, definite advantages in keeping diplomatic missions in the satellite countries of Eastern Europe. These include the gathering of information, providing VOA with guidance based on immediate knowledge of current conditions and developments in the country concerned, and keeping the flag flying to help sustain the morale of the non-Communist elements under the oppressive hardships of Communist rule. The Department of Defense likewise attaches great importance to having military observers on the spot in the Eastern European countries at this critical time. The Department has accordingly believed that diplomatic relations should be maintained with the satellite governments so long as possible without our suffering intolerable indignities or serious prejudice to the American position in the world.

It is difficult to see how in the present circumstances we could abandon or reverse our present policies toward the Czechoslovak regime or other satellite regimes without stultification and without unfortunate repercussions on the democratic elements in the Eastern European countries. On the other hand, if we proceed ahead and events culminate in a break in diplomatic relations with Czechoslovakia we lose the advantages mentioned above and, if this occurs before the free world's strength is adequately built up, our Western allies may be seriously disturbed.

*Recommendation:*

1. That a decision be taken in favor of continuing RFE activities and other forms of pressure on the Czechoslovak regime, even if this means an eventual break in diplomatic relations with Czechoslovakia.

2. That the Czechoslovak note and its implications for the future not be permitted to interfere with such counter-measures as may be necessary in connection with the Oatis case.

---

## No. 682

*Editorial Note*

On June 2, the Department of State announced that because of conditions currently existing in Czechoslovakia, American pass-

ports of private travelers were no longer valid to proceed to that country. For the text of the brief Department statement to the press, see Department of State *Bulletin*, June 11, 1951, page 932.

---

## No. 683

249.1111-Oatis, William/6–1651 Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

CONFIDENTIAL PRIORITY PRAHA, June 16, 1951—noon.

814. Replying my renewed representations Oatis case yesterday FonMin Siroky sought justify his failure last month discuss matter further with me, as well as delay in trial, by citing misrepresentation our May 16 meeting by American news media. What was use he asked our talking further case when our first interview had been so distorted? He declared that as result those "false versions", FonOff had washed hands of case and normal judicial procedure was taking its course, except that FonOff had generously intervened to facilitate correspondence via Embassy between Oatis and wife.

Fairly heated argument ensued during which I restated contents my May 23 note (Embtel 744) [1] and FonMin retorted in effect that irresponsible US press and radio had already cost Oatis one month. He then stated preparations for trial now almost complete and it would be held "within a few days" Emb to be informed beforehand of exact date, and arrangements made in accordance our request for Emb official to attend.

Siroky reminded me his statement May 16 that Oatis has made "full confession"; also that Oatis guilty "serious crimes against Czech state."

That Czecho will in fact produce confession and that Oatis at trial will endorse it is now probably foregone conclusion. Possibility shld not be ignored (Embtel 757 May 27 [2]) that govt may likewise succeed presenting Oatis as defectee as well as confessed and penitent sinner.

BRIGGS

---

[1] Document 676.

[2] Not printed.

## No. 684

711.5622/6-1651: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRIORITY PRAHA, June 16, 1951—4 p.m.

815. As indicated Embtel 812 June 15, [2] meeting yesterday with FonMin Siroky on jet flight left something be desired. Circumstances having cast me in role petitioner for release pilots and planes, Min took full advantage his opportunity. He revived almost every Czech aviation complaint beginning alleged treatment erring CSA planes March 1950; [3] he commented on "jet flight violating our sovereignty" last Feb; he declared air border violations still almost daily occurrence; he referred alleged failure US Govt satisfactorily answer previous aviation complaints. All this constituted build-up whereby Siroky sought justify reasonableness his govt's continued investigation circumstances this "latest violation Czech sovereignty" as well as continued detention pilots.

Meeting lasted two hours and FonMin apparently enjoyed every minute of it.

Fol submitted in order Dept and Air Force may have clearer picture what our govt up against in case this character involving Communist Czech:

FonMin promptly answered my first question by stating planes here and pilots safe. I expressed regret unintentional trespass Czech territory and requested release pilots. Siroky replied that re-

---

[1] Repeated to Frankfurt for the Commander in Chief, U.S. Air Forces in Europe.

[2] Two U.S. jet aircraft disappeared on June 8 while on a training flight over the U.S. zone of occupation of Germany. The aircraft had actually been forced to land in Czechoslovakia, but Czechoslovak authorities withheld information about the incident for 7 days despite repeated inquiries by the Embassy in Praha. In the telegram under reference here, Ambassador Briggs reported briefly on his conversation with Foreign Minister Široký that afternoon. Široký informed Briggs that the two missing American aircraft and pilots were safe in Czechoslovakia but that they would be held in custody pending completion of an official investigation of the incident. (711.5622/6-1551) The two pilots were eventually released on July 4, and the two aircraft were turned over to American authorities the following day. For text of a Department of State press statement of June 15 regarding the missing aircraft and the Czechoslovak failure to provide assistance in locating them, and an Embassy note of June 24 to the Foreign Ministry demanding immediate release of the pilots, see Department of State *Bulletin*, June 25, 1951, p. 1019 and *ibid.*, July 16, 1951, p. 93, respectively.

[3] The reference here is presumably to the landing of three Czechoslovak Airlines aircraft at Erding near Munich in late March 1950. The aircraft carried 85 passengers some of whom sought political asylum. The incident gave rise to an exchange of notes with the Czechoslovak Government; see Department of State *Bulletin*, April 17, 1950, pp. 595–597.

lease impossible pending investigation. He declared pilots not prisoners, but made negative reply when I suggested they be surrendered to me to be guests my residence pending end Czech inquiry. I thereupon requested authorization Col Whitman immediately visit pilots. Siroky said not in his jurisdiction but finally agreed inquire and inform me today; FonOff phoned this morning to say appropriate officials not available, reply Emb request will be communicated next week.

Throughout conversation FonMin repeatedly referred his govt's intention "act according international law" several times coupling this with reference to fact planes in question "offensive not defensive weapons" and furthermore fully armed. He ridiculed effectiveness US Air Force standing orders respect Czech territory and keep away from air space adjacent frontier declaring violation so constant as to give Czecho no choice but to investigate whether this latest flight might not be deliberate provocation. Same excuse given for Czecho's having withheld for one week confirmation landing, that is case under investigation.

FonMin declined estimate how long investigation would last.

Situation therefore as follows:

1. During eight days Govt withheld info notwithstanding written and oral representations both FonOff and Min Natl Def.
2. Govt now refuses release pilots and planes on grounds investigation still incomplete. Meanwhile, seeks maintain fiction pilots not prisoners but refuses access to them.
3. Previous alleged violations cited as justification Govt's course with intimation Czecho proposes act accordance internatl law.

My interpretation all foregoing is that after having made sufficient public demonstration "Czecho not to be trifled with" and after having exhausted propaganda and US discomfiture possibilities, pilots will probably be released. However, possibility trumped up espionage charges cannot be wholly excluded. Furthermore, Czecho probably capable seizing any intervening incident or development (publicity not to Czecho liking for example) as pretext for delaying or refusing release.

BRIGGS

## No. 685

249.1111-Oatis, William/7-351

*Memorandum by the Acting Assistant Secretary of State for European Affairs (Bonbright) and the Assistant Secretary of State for Economic Affairs (Thorp) to the Deputy Under Secretary of State (Matthews)* [1]

TOP SECRET [WASHINGTON,] July 3, 1951.

Subject: Possible Economic Pressure Against Czechoslovakia in the Oatis Case.

*Problem:*

To determine a Departmental position concerning the use of economic sanctions against Czechoslovakia to aid in the release of AP correspondent William Oatis.

*Background:*

Our repeated oral representations and notes to the Czechoslovak Government in behalf of Mr. William N. Oatis since his arrest on April 23 on charges of obtaining secret information and of related activities have not been successful either in obtaining his release or consular access to him. On July 2 Mr. Oatis was made to "confess" to "espionage" at a trumped up trial in the typical communist pattern. Charges at the trial were likewise made against all the other press representatives and members of the United States and United Kingdom Embassies now on assignment to Prague. It has now been announced by the Czechs that Oatis will be sentenced on July 4.

We have endeavored to test every possibility of assisting Oatis without resort to further counter-measures than that taken on June 2. [2] Then, immediately following the granting of an *agrement* for the new Czechoslovak Ambassador, travel of non-official United States citizens to Czechoslovakia was prohibited by the invalidation of passports. This action was announced without any indicated connection with the Oatis case but the association of this action in point of time with the notification of an *agrément* was intended to convey to the Czechs the importance we attach to the Oatis case as well as our willingness to continue diplomatic relations. This measure was more monitory of futher action to come than effective in itself.

---

[1] Drafted by Vedeler and Truesdell of EUR/EE, McDiarmid of OFD/MN, and Vernon of EDT/CP.

[2] On June 2 the Department of State announced the prohibition of travel to Czechoslovakia by American citizens.

As a second step, HICOG reluctantly agreed with our proposal to expel former Czechoslovak consular personnel and other agents in Germany. In the light of a telegram from Frankfort today, [3] however, it is doubtful whether any useful step can be taken in Germany on a unilateral basis.

In addition to the above two actions, we have considered putting into effect in the order listed the following two economic measures which are the subject at issue herein:

(a) An embargo on all United States exports to Czechoslovakia, and

(b) The blocking, without vesting, of Czechoslovak assets in the United States.

*Discussion:*

The desirability of utilizing economic pressures depends not only upon the importance of obtaining the release of Mr. Oatis but also upon the effectiveness of the measures contemplated and the repercussions of such measures upon other aspects of our foreign policy.

It is important to help Oatis not only as an individual but also as a matter of national interest to demonstrate generally that the United States and its citizens cannot be treated in this manner with impunity. Public opinion in this country obviously expects the Department to take every feasible step to pressure the Czechoslovak Government to release Oatis and there will almost certainly be the most severe criticism of the Department in the press and in Congress if it fails to act promptly and vigorously in this case. Furthermore, since this is the first time to our knowledge that a communist government has arrested an accredited correspondent enjoying a quasi-official status, the communists in Czechoslovakia might well be encouraged to proceed next against Embassy officials unless vigorous action is taken. It may be pointed out that our relations with the Czechoslovak Government are so strained at the present time and the need in this case so great that unusual measures are in order.

a. *Export Embargo.* Present export controls already are designed to insure that goods of strategic importance are not shipped to Czechoslovakia, and only moderate amounts of non-strategic items continue to be exported amounting to $250 thousand monthly. These presumably are of some marginal value to the Czech economy or they would not be purchased. The effect of this embargo would tend to diminish in time, as the Czechs find ways of securing the goods through transshipment but, at the outset at least, the embargo might exert a pressure in connection with this case.

---

[3] A telegram from Frankfurt, July 3, reported reluctance on the part of British and French officials in West Germany to agree to a program to deny military travel permits to Czechoslovak personnel in West Germany. (124.49/7-351)

The imposition of the embargo would be in conflict with our commitments on the non-discriminatory treatment of Czech trade as they appear in the General Agreement on Tariffs and Trade. We might meet this problem either by invoking our rights to take such measures on security grounds (as we have done in justifying the existing policy of discrimination), by seeking a waiver of our obligations from the other Contracting Parties to the GATT, or by seeking to have Czechoslovakia expelled from the GATT.

Any of these courses would involve some cost; each would be regarded by other friendly nations as a step which fu-ther disturbed and weakened the structure of our international trade obligations. Of the three possible courses the first would impose the least strain on our relations with other countries, while the last would be the most difficult.

If a decision were taken to impose an export embargo on Czechoslovakia, it would probably be desirable to institute the measure without any public announcement, simply by having Commerce agree to notify holders of outstanding export licenses that the licenses were cancelled and to refuse to issue any further licenses for such exports. If the action were taken in this way, without the fanfare attending an announcement of a new policy on Czechoslovak exports, the tendency abroad might well be to regard the embargo simply as an administrative tightening of the previous policy of anti-Czech discrimination which already has been thoroughly aired in the GATT.

b. *Blocking of Czechoslovak Assets.* Legal authority for blocking Czechoslovak assets in the United States is available under the Trading with the Enemy Act during the national emergency. The President has assigned to the Treasury Department operating responsibility for any blocking action taken by the U.S. The blocking power could be used to place under control all or any portion of the assets of the Government of Czechoslovakia or its nationals in the United States, thus making all transactions in such assets subject to Treasury license.

While the amount of liquid assets held by the Czechoslovak Government and its nationals in the United States is not large (probably not in excess of $6–8 million), the most important effect of the blocking action could be to stop all export and import transactions of the United States with Czechoslovakia, and also to stop or impede any known transactions between Czechoslovakia and third countries conducted through the dollar. The third country trade with Czechoslovakia which might be affected would probably be largely confined to trade with other dollar area countries such as Canada and certain North and South American countries, since it is believed that most of the trade of Czechoslovakia with non-dollar countries is carried on either through the sterling transferable account system or by bilateral clearing techniques.

Aside from questions of general political and economic policy, two special problems arise in connection with the use of blocking controls for this purpose. They are:

(a) The desirability of the use of the Trading with the Enemy Act for a purpose not immediately related to broad economic warfare objectives.
(b) United States obligations under the Articles of Agreement of the International Monetary Fund.

The Trading with the Enemy Act is generally regarded as the instrument for imposing economic sanctions of a rather broad character. It is the legal authority under which Axis assets were blocked and vested in World War II and under which the recent action was taken respecting Chinese Communist and North Korean assets. The position heretofore taken by the Treasury Department has been that the powers under this Act should not be used for purposes not related to such economic warfare objectives. It has been considered that the employment of this Act for other purposes would reduce its effectiveness for this primary purpose. Of course, once action against a particular country is taken under the Act, the measure is not available to attain other and possibly broader objectives in respect to that country. The Treasury has objected to the use of this power to facilitate the collection of United States nationalization claims against Czechoslovakia.

Under the Articles of Agreement of the International Monetary Fund the United States has undertaken not to impose restrictions on current international financial transactions with other Fund members without the approval of the Fund. Czechoslovakia is a member of the International Monetary Fund and the blocking of Czech assets would be such a restriction. At the time blocking action was taken against Communist China and North Korea the United States informed the Fund in advance of its intent to impose such measures; however, we took the position in the Fund that the Fund might not wish to approve or disapprove since the purpose of the measures was security rather than to safeguard the international financial position of the United States and therefore, by inference, outside the Fund's competence. Several Fund members, including the United Kingdom, did not concur in this view and the Management of the Fund thought it inadvisable, even from the United States standpoint, to read an implicit security exception into the Fund agreement. The problem of Fund jurisdiction has not yet been resolved by the Executive Board of the Fund, but for the United States to take blocking action against another Fund member at this time, without seeking Fund approval, might be inimical to our relations with other Fund members and the attainment of general United States objectives in respect to international financial policy.

Since the action described in a above, complete export embargo, would precede the blocking of funds, the effect of blocking action

would not be in the export field but would immobilize Czech assets and funds already in the United States and to a great extent preclude Czech dollar earnings from imports and other transactions in the United States. For reasons unknown, the Czechs apparently attach some significance to their exports to the United States. Some products are designed particularly for the United States market, e.g., shoes, ornaments, etc.

It is possible that, if blocking action were taken, the Czechs might decide to adopt measures of reprisal rather than release Mr. Oatis. Since Czechoslovakia has already nationalized United States private property, such reprisals, if confined to this category of action, might be applied to a surplus property claim of some $5-½ million plus some five pieces of United States Government-owned property. The former is the source of local currency for official United States expenditures in Czechoslovakia. Action by the Czechs along this line would probably seriously impede the continuance of our diplomatic activities in that country.

*Conclusions:*

It is recognized that measures to secure the release of Mr. Oatis are highly desirable and that the economic measures described above might be used. The disadvantages accompanying these economic measures, however, are such that if the Department wishes to proceed, the matter should be referred to the Cabinet or the National Security Council [4] for decision, or for discussion with the appropriate Cabinet officers.

*Recommendation:*

It is recommended that you call in the interested officials of the Department to reach agreement on steps to be taken in this case. [5]

---

[4] In the source text, the phrase "National Security Council" is underscored in pen and is accompanied by a handwritten marginal notation "No!!", presumably by Matthews.

[5] Soon after this memorandum was prepared, Bonbright and Thorp both brought up at the Secretary's daily meeting of July 9 the question of retaliation for Oatis' imprisonment. At the meeting of July 9, Bonbright reported that measures were being discussed, but nothing worthwhile had yet been hit upon. "The Czechs have no consulates here to close and there are few economic measures which might be taken. The only course that might be effective would be freezing Czechoslovak assets in the United States." At the Secretary's daily meeting of July 10, Thorp reported that it had been concluded that there were only two actions that might bring results: 1) using transmitters in West Germany to intrude on Czechoslovak radio frequencies, and 2) some legal means, possibly an act of Congress, to prohibit Czechoslovak imports into the United States during Oatis' imprisonment. (Secretary's Daily Meetings, lot 58D609)

## No. 686

*Editorial Note*

The trial of Associated Press correspondent William N. Oatis and three Czechoslovak codefendants (Tomas Svoboda, Pavel Wojdinek, and Peter Muntz, employees of the Associated Press office in Praha) on charges of espionage was held in Pankrac Prison in Praha, July 2–4. Two observers from the American Embassy were allowed to attend the trial, but no Western newsmen were present. In his testimony, Oatis admitted to committing acts of espionage and implicated a number of American, British, and French diplomatic officers and correspondents including Ambassador Briggs, Embassy Counselor Tyler Thompson, Embassy First Secretary Alexander Schnee, and American Military Attachés Lt. Col. George L. Attwood and Col. Philip D. Ginder. Oatis and his codefendants were found guilty of the charges against them. Oatis was sentenced to 10 years' imprisonment, and the 3 Czechoslovak citizens were sentenced to terms of imprisonment ranging from 15 to 20 years.

In a statement issued to the press on July 4, the Department of State described the trial as a "ludicrous travesty of justice in which the victim was required to speak his prefabricated 'confession' as a part of a public spectacle exhibiting all the usual Communist trial techniques. . . . The 'confession' of 'espionage' was in truth but the admission of an American reporter that, in the high traditions of his profession, he was attempting under the most unfavorable conditions to report a true picture of conditions and events in Czechoslovakia as he saw them." (Department of State *Bulletin*, July 16, 1951, pages 92–93)

The proceedings of the Oatis trial, which were broadcast on Czechoslovak national radio, were reported upon by the Embassy in Praha in telegrams in file 249.1111–Oatis, William. A verbatim record of the interrogation of Oatis and a condensed record of the remainder of the trial, were prepared by Mary Horak, one of the American Embassy observers at the trial. This 101-page report was transmitted to the Department of State as an enclosure to despatch 8 from Praha, July 13. (249.1111–Oatis, William/7–1351) A 16-page summary of the proceedings together with a description of the trial, prepared by Vice Consul Richard G. Johnson, was transmitted to the Department in despatch 7 from Praha, July 13. (249.1111–Oatis, William/7–1351)

For a brief summary of the Oatis case prepared in the Department of State, a condensed text of the official Czechoslovak indictment against Oatis, the text of Czechoslovak espionage laws under which charges were made, excerpts from the proceedings of the

Oatis interrogation prepared by Embassy observers, and the text of the final verdict, see Department of State *Bulletin*, August 20, 1951, pages 283–288. The same material was reprinted in Department of State Publication 4357. A lengthy description of the proceedings of the Oatis trial, based largely upon the American Embassy observers' report, is included in Dana Adams Schmidt, *Anatomy of a Satellite* (Boston, Little, Brown and Company, 1952), pages 30–46. For a briefer account of the trial, see Briggs, *Farewell to Foggy Bottom*, pages 97–102. Briggs' comments on the trial appear in telegram 19, *infra*.

---

## No. 687

249.1111-Oatis, William/7-451: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

CONFIDENTIAL PRIORITY PRAHA, July 4, 1951—3 p.m.

19. Re Embtel July 3 sent Dept 12 HICOG 9. [2] Emb comments on first day Oatis trial [3] equally applicable to whole trial except as noted hereafter. Fol based on whole trial:

1. Case against Oatis rests on acceptance all-embracing Commie definition espionage. Prosecution failed link him with any activity not normal activity newspaperman according western standard.

2. Proceedings afforded new opportunity propaganda smear campaign directed primarily against US and Emb, but also including other Western diplomats. It constitutes one of govt's periodic efforts discourage subversive activities Czech people. Also basis established for further hostile action govt may wish take against this mission, such as declaring MilAtt PNG. In addition leaders regime may think trial earned them kudos in Kremlin where there may well be concern over ability present Czech leaders cope with situation as unearthed in Sling affair and in Slovakia. Emphasis on alleged interest Amer espionage apparatus in Sling, Svermova, Clementis case [4] is further evidence effort may later be made implicate US with them.

3. Primary specific objective trial apparently reduce operations Western news agencies to point where they serve only as centers transmitting official hand-outs which wld then be published abroad under Western news agency by-line and Praha dateline. Czechs might consider ideal situation here Western press offices operate with Czech staffs only, as now. Choice Oatis for trial rather than

---

[1] Repeated to Frankfurt.

[2] Not printed.

[3] Regarding the Oatis trial, see the editorial note, *supra*.

[4] See telegram 546 from Praha, Document 668.

one of his colleagues probably because he used his Czech staff more actively in obtaining news and because govt had some evidence his Czech staff was vulnerable in view their apparent knowledge of murder security officer.

4. Canned nature of trial obvious, for example, translators so efficient that on several occasions they translated a sentence that had not yet been spoken.

5. Re Emb comment numbered para 5 Embtel 12 that Oatis gave impression he might be trying improve his position by cooperating with prosecutor, subsequent sessions failed support this interpretation. Oatis throughout simply stuck to prepared script learned beforehand. His delivery at times (as with his final statement expressing sorrow and repentance yesterday afternoon) seemed so deliberately limp and mechanical as to leave no doubt text memorized in advance.

6. Ref in sentence to Oatis expulsion only after serving sentence probably does not preclude possibility expulsion any time Czech govt shld decide take such action, as in Louwers case.

BRIGGS

---

## No. 688

249.1111-Oatis, William/7-1651: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

SECRET PRAHA, July 16, 1951—6 p.m.

40. There was not even approx mtg of minds during conversation this afternoon with FonMin Siroky re Oatis. After summarizing contents note (Deptel 25 July 11 [1]) I had Protocol Chief Chalupa translate it. This precipitated acrimonious and at times almost violent discussion substance of which on Siroky's part was that note by daring criticize judicial procedure was an attempted infringement of Czech sovereignty. FonMin said note accordingly "rejected", although he did not try to give it back. His statements were all on premise trial fair and "Oatis was guilty and has accepted his sentence".

I told Siroky I saw no profit in debate along these lines but that since he had expressed his views he shld likewise understand my govt's estimate of proceedings which I thereupon gave him.

---

[1] Following the conclusion of the Oatis trial, the Department of State and Ambassador Briggs worked out, in an exchange of telegrams, an urgent new approach to Foreign Minister Siroky in the Oatis case. The approach involved an Embassy note to the Foreign Ministry, the final instructions for which were transmitted in the telegram under reference here, which condemned the injustice of the Oatis trial and demanded his release and departure from Czechoslovakia as a means of improving U.S.-Czechoslovak relations. (249.1111-Oatis, William/7-1151)

After approx one hr of this, Siroky stated he would communicate note to Cabinet tomorrow and convey to Emb shortly thereafter Czecho Govt's decision response US request for Oatis release. [2]

BRIGGS

[2] The Embassy received a note from the Foreign Ministry on July 21 stating that U.S. demands represented a gross attempt at interference into matters exclusively under Czechoslovak jurisdiction and were therefore refused. (Telegram 58 from Praha, July 21, 249.1111-Oatis, William/7-2151)

## No. 689

249.1111-Oatis, William/7-1751: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRAHA, July 17, 1951—5 p.m.

47. Notwithstanding Siroky's sound and fury on receipt latest US note (Embtel 40, July 16 [2]) Oatis case thus far has been practical well dividends for Czecho [*sic*]. Commies have derived extraordinary propaganda benefits from public spectacle broken Amer correspondent confessing sins and implicating Emb personnel, all at no greater cost to Czecho than FonMin's intermittent self-inflicted indignation. Dept's denunciation of trial eloquent document [3] but publicly ignored in Czecho, whereas declaring Czecho out of bounds to US citizens, only positive step taken by US Govt during three months since Oatis arrest, hardly impressive in terms effect on Commies.

In opinion non-Commie Prague diplomats including those most friendly to US, Amer prestige seriously jolted by Oatis case and failure strike solid blow in return. While I give this view no exaggerated importance, spectacle American being kicked around with impunity is hardly encouraging to Czech resistance sentiment.

There is of course no guarantee Amer retaliation will produce early Oatis release or won't lead break in relations. Nevertheless

[1] Repeated to Frankfurt for HICOG.

[2] *Supra.*

[3] Regarding the Department's statement of July 4, see Document 686.

for reasons mentioned Embtels 6, July 2 [4] and 24 July 8 [5] and previous, unless Oatis immed set free once more urge adoption all possible retaliatory steps including those available Ger. Believe furthermore value of retaliation increased by application thereof without further delay, to end that Amb Prochazka be faced on arrival next week with relations in worst possible condition and inference they will remain there until Oatis released. Measures specifically recommended include:

1. Denial access air space over US zone Ger to Czech planes in conjunction Brit and Fr if possible but otherwise alone.
2. Blocking Czech assets in US (Embtel 696, May 5 [6]).
3. Public campaign against Czecho and Czech products, to be in full cry when Prochazka steps off ship next week.

BRIGGS

[4] In telegram 6, Briggs agreed that some sort of retaliation should follow the conclusion of the Oatis trial, because the United States could not afford to let pass such treatment of an American citizen-correspondent, even though there was no action available that could bring about his immediate release. (249.1111-Oatis, William/7-251)

[5] In telegram 24, Briggs expressed belief that it was important to "keep record straight" and have an early meeting with Široký to denounce Oatis' trial and demand his release. (249.1111-Oatis, William/7-851)

[6] Not printed, but see footnote 5, Document 672.

## No. 690

249.1111-Oatis, William/7-1751: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, July 20, 1951—8 p.m.

47. Some sections US press and number of Members of Cong, like Emb (ur 47 July 17 [2]), strongly urging retaliatory action in Oatis case. Some of suggestions, for instance Monroney res breaking econ relations to be followed by breaking dipl relations in 90 days if Oatis is not released, [3] wld almost certainly have repercussions on our natl interests which Dept is not, at least for present, willing to risk. Other measures suggested involve multilateral action, either very complex and time-consuming in initiating or unfeasible. Many proposing various counter-measures do so in apparent misappre-

[1] Drafted by Higgs and Vedeler (EUR/EE) and cleared by Wolf (EUR/RA), Auchinloss and Williams (GER/GPA), Bonbright (EUR), Sargeant (P), and E.

[2] *Supra.*

[3] Regarding resolutions introduced in Congress calling for action for the release of Oatis, see Document 703.

hension measures they propose are simple to institute, wld be effective and that Dept not fully disposed in principle to be tough to obtain Oatis release when toughness offers such good prospects of success.

FYI Dept endeavoring institute available retaliatory actions deemed appropriate and offering reasonable prospects being effective. Meanwhile, Dept wishes sound out possibility of exchanging a Czech in Ger jail for Oatis and regrets Siroky's reaction to your note was so violent (ur 40, July 16 [4]) unfortunately not feasible for you to explore this possibility at that time. (Our 18 July 8 [5]) We hope next time you see Siroky atmosphere will be such you can sound out possibility of exchange.

In addition this step Dept arranging for fol:

1. Denial mil permits with exception dipl and consular personnel, dipl couriers, emigrants and bargees. While this will affect comparatively limited nr it shld exclude Czech business reps from W. Ger. In expediting this step Dept has urged Brit and Fr Embs here seek concurrence their govts. Brit Emb states FonOff approves subj to views Brit Emb Praha; no word yet recd Fr Emb.
2. Vigorous *démarche* with new Czech Amb. Planned when he first calls to give him stern treatment and to state if he hopes to carry on dipl business with this govt this case will have to be settled satisfactorily.
3. Action to embargo US exports Czech. Value exports running only about $200,000–$250,000 month. This wld have limited impact in itself but might be effective in suggesting Czechs further and stronger action on our part to come. Dept requesting concurrence Dept Commerce (1) to use threat this step with Czechs and (2) to fol through, if necessary, by revoking outstanding licenses and denial of future applications for exports Czech.
4. Denial permission CSA overfly W. Ger. Because of probable difficulty in obtaining Brit and/or Fr concurrence in this step, desirable approach Brit and Fr on this after matter mil permits out of way.

Our course of action shld thus proceed in stages in which we try to avoid creation of great internatl issue raising obstacle to retreat of Commies by release Oatis but give impression skillfully to Commies that we are moving on step by step so that if they do not release Oatis pressure will constantly grow. We thus believe it desirable explore first and soonest possibility exchanging bodies and to exploit threat of exports embargo in private discussion with FonMin before going ahead to actual denial of export licenses and public announcement this effect.

ACHESON

---

[4] Document 688.
[5] Not printed.

## No. 691

601.4911/7-2651: Despatch

*The Ambassador in Czechoslovakia (Briggs) to the Department of State*

SECRET PRAHA, July 26, 1951.

No. 17

Subject: Call of Ambassador Prochazka at American Embassy Prague, July 25, 1951

Ambassador Prochazka called on me at the Embassy Chancery at his instance (somewhat belatedly, his *agrément* having been granted two months ago [1]) and he remained for an hour and a quarter. He is the first Czech to call on me since last February when Ambassador Outrata visited the Chancery. Prochazka is fifty-seven and looks several years younger; he has a round face and wears horn-rimmed glasses that give him a studious, slightly owlish look. His general attitude was friendly, almost ingratiating and—with respect to official business—very cautious. His English is halting and rather bookish but on the whole serviceable. The only nervousness he displayed, assuming he felt any, was in chain-smoking cigarettes.

I opened the conversation by inquiring about his travel plans, to which Prochazka replied that his departure had been postponed because of his wife's ill health (she reportedly has a heart condition aggravated by high blood pressure), but that he now expects to travel on the *Caronia*, sailing August 2 from Le Havre. The Ambassador asked about Washington summer climate and then about resorts nearby in the Alleghenies, indicating that he would hope to have Mme. Prochazka avoid the capital at least until mid-September. There ensued some light talk about "why is Washington where it is?" to which I replied in terms of colonial history and air-conditioning. Coffee was served, and Prochazka started a second cigarette.

I then brought up the Oatis case, as summarized in Embtel no. 69 of July 25. [2] After declaring that solution of that case should interest Ambassador Prochazka as much as me, since otherwise he might find it an obstacle to accomplishment on his part in Washington, I said I had discussed it with Siroky on July 16, in connection with delivering a note requesting Oatis' release. [3] A note in

[1] See Perkins' memorandum to the Secretary of State, Document 677.

[2] Not printed.

[3] See telegram 40 from Praha, Document 688.

reply, declining to release Oatis, had been received on July 21.[4] I said I was reluctant to regard that reply as his government's last word, since it seemed unreasonable to suppose that his government deliberately desired that relations be as strained as possible. I indicated they were strained now and would be bound to remain strained, as long as Oatis remained in prison. That being the case, I had been casting about for some possible solution of the matter which, leaving aside the sharply divergent positions our two governments have adopted, might lead to the desired result. For instance, I said, it is my understanding that there are several Czechs in prison in Germany; perhaps an exchange might be worked out, involving the release of one Czech in Germany for one Oatis in Czechoslovakia. Or, since there are several Americans in jail here, in addition to Oatis, perhaps an exchange could be made of several Czechs in Germany for an equal number of Americans here. And what did Prochazka think of that?

Prochazka replied with considerable caution. He has had "nothing to do with the case" and he only knows about it from hearsay and from my remarks. Good relations would be "a good thing", which the Ambassador then amended by saying that "in these troubled times, good relations would be a good thing, within the possibilities of the present situation". And as for Oatis, Prochazka said he would mention my remarks to the Foreign Minister. Was I expecting to see Siroky in the near future?

I said an appointment had been requested two days ago, for my British colleague and me, with reference to the proposed treaty with Japan, following which I hoped to have a few minutes with Siroky alone during which the Oatis case could be further considered.

So much for the Oatis case. The only additional concrete issue we discussed was the personnel quota at our respective missions, which I brought up, indicating that I personally am vastly more contented with twelve Americans in my Embassy in Prague than I was with eighty, the figure serving here when I arrived nearly two years ago. However, his predecessor, Outrata, had rather given me the impression that he found a quota of twelve in Washington somewhat inadequate. I said I had no instructions to discuss the matter and doubted whether the State Department would do so but that, following his arrival in Washington, should he wish to raise the matter and to suggest a modest increase, on a reciprocal basis of course, I thought there might be no objection.

Ambassador Prochazka continued noncommittal, but he gave the impression of being interested in the possibility of raising the per-

---

[4] See footnote 2, Document 688.

sonnel quota, and equally interested in the notion that by reducing the staff of the American Embassy from eighty persons to twelve, Czechoslovakia had done the American Government a favor.

(My objects in mentioning this matter were two: first, with the thought of facilitating a slight and useful increase in the quota; and second, with an unchristian desire toward former Vice Minister Hajdu, architect of the quota system, whose stay in the local doghouse is not likely to be curtailed by circulation of a report that "after all, he did the Americans a favor".)

Beyond discussion at my instance of the two foregoing points, Prochazka volunteered several general statements about world peace, international collaboration and the desirability of a Korean solution, usually however with some limiting phrase similar to "within the present possibilities" so that his remarks added up to little except perhaps a desire to convey a man-of-good-will impression. Once Prochazka started a line of suggestion relative to "peaceful co-existence" that was reminiscent of my opening remarks to Foreign Minister Clementis in December, 1949. I resisted the temptation to tell Prochazka he reminded me of myself addressing Clementis, and in any case he dropped the subject before anything clear had been implied.

When I complimented Prochazka on his English and asked where he had learned it, he replied that he had acquired such small facility as he possessed by translating books—"mostly English authors, including Shaw; but I also translated Steinbeck's *Grapes of Wrath*, using Henry Mencken's *American Language* to follow the idiom of Oklahoma."

I told Prochazka that if his mental picture of the United States rested on *Grapes of Wrath*, I thought he'd be agreeably surprised.

My preliminary estimate of Prochazka is that the Czechoslovak Government has purposely chosen as its new envoy a "civilized Communist"—that is to say, one who *looks* civilized and *talks* civilized, and who can even convey the impression (or illusion) of *being* civilized. A visit of twenty minutes would have sufficed to meet protocol requirements, whereas he remained with me nearly four times that period, giving off cautious but benevolently expressed paragraphs which if they had any special purpose were possibly supposed to represent amenities being taken for a very gentle promenade, with a weather-eye on the horizon and a raincoat in one hand and an umbrella in the other.

Prochazka is an old-line Communist reportedly a member of the Party since 1923. His ability to appear owlishly benevolent, even ingratiating, may well be protective coloring used to disguise a hard doctrinaire Communist who despises the West and would gladly cut our throats. Furthermore he is obviously a man of con-

siderable erudition, culture, and (to judge from survival in the rough and tumble in-fighting of Communist development), probably of toughness and durability also.

The high point in the morning was reached on Prochazka's departure from the Chancery, when he was promptly pounced upon by the watching secret police, who forced the Ambassador's car to the curb with a squealing of brakes fifty yards down the street. From what could be seen from our doorway, the police evidently demanded Ambassador Prochazka's identifying documents and interrogated him briefly before allowing him to continue with one of their number transferring from the police Skoda to Prochazka's automobile. [5]

ELLIS O. BRIGGS

[5] Some additional details of Prochazka's "arrest" outside the Embassy are recalled in Briggs, *Farewell to Foggy Bottom*, pp. 59–60 and 106.

## No. 692

949.5262A/7-2751: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

SECRET WASHINGTON, July 27, 1951—8 p.m.
PRIORITY NIACT

661. Present state our relations with Czech view totally unjustified treatment Oatis and its failure to respond our repeated representations and initial pressures make it unthinkable for US approve any renewal CSA overflights Western Germany for month August. [2] This is matter not only protection American citizens and interests US but also of defending interests entire free world by striking back at Czechs for their cynical disregard fon citizens and flagrant violation principle free information in sentencing for espi-

[1] Drafted by Vedeler of EUR/EE and Wolf of EUR/RA and cleared by E/TRC, EUR/BNA, EUR/WE, GER/GPA, P, and by Deputy Under Secretary Matthews. Also sent priority niact to Frankfurt for HICOG, Paris, Praha, Brussels, Bern, and The Hague.

[2] It was customary for the Civil Aviation Board of the Allied High Commission for Germany to notify the Czechoslovak Government each month of authorization for the Czechoslovak Airlines to overfly West Germany during the succeeding month. During June 1951 the United States had consulted with Western European governments regarding an immediate suspension of such overflight privileges pending the return of two American military aircraft and their pilots from detention in Czechoslovakia (see telegram 815, Document 684). The aircraft and pilots were returned before action could be agreed upon, and a continuance of Czechoslovak Airline overflights for the month of July was granted. Documentation on this matter is in file 949.5262A.

onage correspondent who as evidence clearly shows doing nothing more than conscientious and honest job of normal reporting activities. Our firm view is therefore that on termination present authorization July 31 all operations CSA over Western Germany shld cease.

Shld we fail to take this action, we wld not only indicate to Czechs that we are not using all ammunition possible re Oatis case, but also wld be indicating weakness of attitude of Western powers in face of outrageous act. Further, any such weakness wld be invitation to Czechs further to take other oppressive and improper action with belief that they cld do so with impunity.

Our understanding from Brit Emb here Brit agreeable withdrawal permit. Request you urge immed and strongly this position in HICOM and Emb Paris with Fr FonOff. Emb London shld explore with UK FonOff possibility of supporting US approach to Fr. We consider this matter of far-reaching significance on which firm united position occupying powers most important. Action shld be taken HICOM to accomplish suspension permit and Czechs shld be notified permit suspended effective July 31 until further notice. [3]

Believe HICOG shld consult Brit and Fr elements as to how matter shld be handled if Czechs ask reasons for denial. We see two possibilities: (1) link action directly with arbitrary imprisonment Western nationals in Czech and particularly with Oatis case; and (2) inform Czechs action taken because of "technical problems which HICOM has under study". Favor second alternative as most likely help Oatis since this does not directly engage Czech prestige and allows Czechs more freedom and less difficulty to release Oatis. Request HICOG inform us soonest Brit and Fr views this connection.

HICOG shld inform AmEmbs Bern, Brussels, Hague, as soon as Czechs notified permit suspended and those Embs shld appropriate-

---

[3] Telegram 858 from Frankfurt, July 28, reported that the British and French elements of the Civil Aviation Board of the Allied High Commission for Germany were unable to concur in the immediate suspension of Czechoslovak flights over Germany. The U.S. element of the CAB proposed a unilateral U.S. suspension of Czechoslovak flights in airspace over the U.S. zone of occupation of Germany. (949.5262A/7-2851) Telegram 589 from London, July 30, reported that the British Foreign Office could not agree to a suspension of Czechoslovak overflights during August but favored a compromise procedure that would allow Czechoslovak flights on a day-to-day basis pending a thorough review of the situation. (949.5262A/7-3051) Telegram 676 from Paris, July 31, reported French Foreign Minister Schuman's decision against immediate suspension of Czechoslovak overflights but in favor of renewal of overflight authorization on a day-to-day basis. (949.5262A/7-3151) While sympathetic to the American position, French authorities felt obliged to consider (1) Air France's interest in the maintenance of air service to Praha, and (2) current French negotiations with Czechoslovak and other East European governments for the release of a number of imprisoned French citizens. (949.5262A/7-2851)

ly advise respective FonOffs, stressing importance all considerations above for all Western countries in moving HICOM this action.

ACHESON

---

## No. 693

249.1111-Oatis, William/8-151

*Memorandum by the Secretary of State* [1]

SECRET WASHINGTON, August 1, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: The Oatis Case

The basic strategy we are working on in our efforts to secure the release of Mr. Oatis is to provide Ambassador Briggs a group of coercive measures of varying intensity and also with authority to inform the Czechoslovaks that we are prepared to put into effect these measures if they were unwilling to release Oatis. Secrecy as to what the measures are and when they will be brought to bear seems desirable for two reasons:

(1) The weapons available to us do not appear to be decisive and, by introducing an element of uncertainty as to what the next step will be, we maximize the impact of the various measures.
(2) We fear that an overt display of force on our part in the nature of an ultimatum may freeze the Czechoslovaks in their present position and reduce, if not eliminate, the likelihood of obtaining Oatis' release.

This strategy may be imperiled if various resolutions and bills pending in both the House and Senate, many of which call for the termination of commercial and diplomatic relations with Czechoslovakia, should be acted upon by the Congress. We are deeply interested in maintaining freedom of action and secrecy, in so far as possible, as to our basic strategy and the measures we intend to employ. On the other hand, the fact that resolutions have been offered, which indicate the seriousness with which the United States and the Congress view this action, is helpful in emphasizing to the Czechoslovaks that we are determined to obtain the release of Oatis.

In order to avoid legislation on this subject and to indicate that the Administration does have a program to the end of securing

---

[1] Drafted by Schaetzel (E) and approved by Vedeler (EUR/EE), Assistant Secretary Perkins, and Deputy Under Secretary Matthews.

Oatis' release, it may be useful for you to discuss with the leaders of Congress our basic strategy and the coercive measures we have assembled for use.

In addition to securing Oatis' release by exchanging him for one or more Czechoslovak prisoners in the U.S. Zone of Germany, a vigorous demand for the release of Oatis to the new Czechoslovak Ambassador when he first calls, and a strong statement of U.S. views on this subject at the imminent meeting of the U.N. Economic and Social Council, the Department's present course of action includes the following sanctions:

(1) Denial of military (travel) permits for Czechoslovak applicants desiring to enter Western Germany.

(2) Action to deny permit to Czechoslovak Airlines to overfly Western Germany, if it is possible to obtain British and French concurrence now being sought.

(3) Steps to revoke outstanding export licenses and deny future applications for export to Czechoslovakia.

With respect to the last sanction proposed, namely, embargo on exports, while this will not have any appreciable economic effects, it may have significant implications that we are prepared to take more severe action in the economic area should the present program be unsuccessful. While no decision has been taken by this Department that economic measures beyond the embargo on exports should be adopted, Secretary Snyder is properly concerned that we are almost committed to a program of increasingly far-reaching economic sanctions to the end that severance of all economic and diplomatic relations may result. The Treasury Department in particular argues that if we employ more drastic economic sanctions, such as the embargo of Czechoslovak imports and the freezing of assets, the immediate effect of this will undoubtedly be the flight of assets held in the United States by other satellite areas. There is, of course, a further consideration to be taken into account in any proposal to invoke such drastic sanctions in this immediate situation, for, should a more acute problem of national interest arise, we would be left without any retaliatory weapon in case of future need.

Because of these considerations, as well as the fact that employment of economic sanctions requires the use of the legislative authority of Commerce and Treasury, it seems desirable that the Oatis case be placed on the agenda of the National Security Council for informal discussion at its next meeting. Commerce and Treasury have indicated that, while they do not disagree with our moving ahead with the export sanction at this time, they would prefer to have the Department's program of action considered, and the implications of economic sanctions discussed, by the Council.

*Recommendations*

1. That you approve the basic strategy outlined above and the measures we presently propose to take.

2. That the general strategy and program be discussed on a confidential basis with the Congressional leaders.

3. That the program be discussed informally at the next meeting of the NSC, particularly with reference to considerations of national interest should the present course of action be insufficient, which would present the United States with the decision as to whether further coercive steps in the economic field should be taken. [2]

DEAN ACHESON

[2] The source text is signed by Secretary Acheson and bears the President's handwritten endorsement "Approved Aug. 1 1951 Harry Truman." No documentation has been found in Department of State files to confirm that the Oatis case was discussed by the National Security Council.

## No. 694

249.1111-Oatis, William N./7-3051

*The Secretary of State to the Embassy in Czechoslovakia*

SECRET WASHINGTON, August 3, 1951—7 p. m.

79. Your tel 86 July 30. [1] After long consideration problem consular invoices in Czechoslovakia we have reached the following conclusions:

Department realizes forced and drastic reduction Embassy staff by Czech authorities imposes great burden on Embassy and its duties heavily increased by many efforts Embassy in connection with Oatis case and border violations for which Czech regime responsible.

Recognize you must take this situation into account in issuing consular invoices although necessary observe legal obligations (Deptel 470 June 26 1950 [2]). Suggest accordingly for present you deal only with those requests you can conveniently handle and let others remain until sufficient time to complete action on them. Appreciate some of these requests, generally most important ones involving large and valuable shipments, may require considerable in-

[1] In telegram 86, Briggs observed that 100 days had passed since the arrest of Oatis and in that period the Embassy had processed 1,500 consular invoices covering Czechoslovak exports amounting in value to $4,500,000. Briggs recommended that pending a decision on an embargo against Czechoslovak exports the Embassy be authorized to cease certifying invoices on the grounds of "technical difficulties". (249.1111-Oatis, William N.)

[2] Not printed.

vestigation and possibly signature by head of national corporation concerned. You may find it less burdensome if action on these deferred until fully convenient for you to process them. You may of course be in position to act sooner on applications for small items. We wish to emphasize in this connection you should not fail to apply every regulation or institute all required investigation as a means of easing Embassy's burden in issuance of invoices. You may thus proceed in your discretion along foregoing lines dealing with this burdensome problem in view existing situation.

If Czechs raise objections or even questions, feel free to explain difficulties arising from circumstances mentioned first paragraph above. [3]

ACHESON

[3] In telegram 259 from Praha, September 28, Briggs reported that in the period from August 4 to September 28 the Embassy had certified invoices covering $610,000 in Czechoslovak exports but had not certified invoices covering goods worth $1,100,000. (Praha Embassy files, 270 Consular Invoices) In *Farewell to Foggy Bottom*, p. 108, Briggs recalls having reported to the Department, not long after Oatis' trial, that Czechoslovak exports had been reduced from $2,500,000 per month to almost zero in consequence of the Embassy's program of delaying the processing of consular invoices.

## No. 695

949.5262A/8-451 Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

SECRET WASHINGTON, August 4, 1951—1 p. m.

805. After further and long telecon with HICOG reps July 31, [2] Dept agreed Brit and Fr proposals for interim authorization Czech overflights pending later decision on question their suspension. HICOG accordingly authorized accept text CAB notification to Czechs essentially as given Frankfort's 961 July 31 [3] as best obtainable way out without recourse to unilateral action on our part objectionable to Brit and Fr, basically inconsistent with tripartite arrangement Ger and possibly subj later reversal by 2:1 vote at higher HICOM level.

[1] Drafted by Vedeler of EUR/EE and cleared by GER/GPA, EUR/WE, EUR/RA, EUR/BNA, AV, and P. Also sent to Paris, Praha, Brussels, The Hague, and Frankfurt.

[2] No record of such a telecommunications conference has been found Department of State files.

[3] Telegram 961 transmitted the text of a notification from the Allied High Commission for Germany to the Czechoslovak Military Mission at Berlin authorizing the Czechoslovak Airlines to overfly West Germany during August on the same basis as in July pending an expected decision by the Commission. (949.5262A/7-3151)

HICOG reps were instructed however to make clear to Brit and Fr colleagues US agreed most reluctantly to this course of action and our acceptance UK and Fr position was without prejudice to our further pursuit US proposal.

Fol this telecon Dept officers met with reps Brit Emb here when we informed them results telecon and form interim notification finally settled on in CAB. We made plain our great disappointment Br cld not join us at once in measure of such importance to free world as a whole in endeavor to protect freedom of info, personal security Western nationals behind curtain, and prestige and position generally of Western countries. We also pointed out to Brit we consider interim notification no final solution but only provides breathing spell while urgent efforts made to obtain agreement on suspension. We thus strongly hoped they realized great importance Oatis issue Amer Govt and people as well as West generally, appreciated we were determined to make utmost efforts in behalf Oatis, and cld see their way clear to go along with us in suspension.

Brit reps indicated Brit concerned whether: (1) suspension may be of net advantage to West and whether West wld not lose more than Czech by action; (2) US not proceeding precipitately and overlooking interest other Eur countries such as Belg and Neth; and (3) this step wld have as much effect as we anticipate.

They gave us to understand they wished to cooperate with US but also believed other Eur countries whose interest involved, must be consulted in advance. They suggested, according to our understanding their position, if matter taken up with these interested govts so that importance of issue fully explained to them, Brit might go along with us. We also gathered Brit might possibly be prevailed upon to make concurrent or joint approach to these govts in behalf suspension.

Ambs London and Paris shld therefore approach UK and Fr FonMins personally along fol lines: urge again importance this issue to free world generally as above. And further: this is part of integral program action which at least in totality may exert effect on Czechs; Czechs may not retaliate against Fr, Belg or Neth; if retaliation by suspension their air services to Praha this is kind of econ sacrifice all Western countries called upon to make from time to time, as in def measures, in maintaining position of free world against Commie bloc.

We are firm in belief suspension of overflights shld go forward but do not wish to leave out of consideration Western states such as Belg and Neth whose interests involved. We will consult with them and urge Brit and Fr to join us in concurrent approaches on basis of primacy polit considerations involved. If apparent net econ

advantage in continuation Czech and their air services this in our opinion is secondary in importance to polit factors.

Ambs Brussels and Hague requested to explain FonMins personally present status overflights authorization, press with them importance of suspension, and report views FonMins soonest. Amb Praha requested proceed with Belg and Dutch reps as suggested Praha's 66 July 25. [4]

You shld further advise them seriousness of situation which may develop if this means of pressure not exercised. They will realize strength feeling on this issue in Cong and among Amer people. As there is possibility UK and Fr might gather we are attempting, in pursuit old satellite aviation policy, permanently wipe out Czech air services to Western Eur, you shld specifically advise FonMins this is not our aim and we consider denial overflight rights as pressure weapon.

Re Fr desire use this leverage to get Fr nationals imprisoned Czech released (Paris tel 690 Aug 1 [5]) it may be suggested we apprec their interest and wld give study to any proposal they may offer. Our purpose however is not simply recover an Amer citizen—however important this may be—but to take steps of such force and significance as may effectively discourage arbitrary arrest and unjust imprisonment in satellite countries of natls from any Western country. We believe French thus have important interest in this step from this standpoint alone. We had not thought of tying conditions to restoration Czech overflights and have in fact not desired to make any direct connection between suspension and Oatis case although Czechs cld not fail to realize purpose behind suspension. If extensive series of requirements advanced to Czechs as condition for restoration overflights force of measure re imprisonment natls might be lost and little if anything accomplished. In other words even if Oatis released we wld be willing consider continuing suspension overflights if Fr so desire until they receive satisfaction re their natls. But we do not believe suspension shld be used as lever to obtain number of other unrelated concessions.

Pres and Secy are giving this matter their close personal attention and you may so indicate to FonMins.

ACHESON

---

[4] Not printed.

[5] Telegram 690 reported that the French were not willing to tie suspension of Czechoslovak rights to overfly West Germany exclusively to Oatis' case. There were two French citizens currently imprisoned in Czechoslovakia and several other situations in French-Czechoslovak relations of pressing interest. (949.5262A/8-151)

## No. 696

949.5262A/8-1151: Telegram

*The Chargé in France (Bonsal) to the Secretary of State* [1]

SECRET PARIS, August 11, 1951—7 p. m.

980. FonOff has just given me memo summarizing FonOff position on Czech overflights. Memo covers entire field of Franco-Czech relations and may be summarized as fols:

*Begin summary.* On polit side France has exhausted available sanctions, since most Czech societies in France have been dissolved, all Consulates have been closed, all Czechs whose presence in France might be of interest to Czech Govt have been expelled, and France has participated in decisions preventing Czech natls from transiting West Germany.

On the other hand, in the econ field there are still certain measures which might be taken:

(1) The reduction or suppression of existing trade agreement in connection with which France has debit balance of 650 mil francs.

(2) Termination of restitution agreement which wld mean loss of 3 billion 650 mil francs due from nationalizations, 847 mil francs which is balance of 1937 loan and French part of Czech share in Austro-Hungarian debt, which amounts to 60 mil francs annually. This wld total net loss for France of 5 1/2 billion francs.

(3) Suspension of air traffic between Prague and Paris, which traffic is currently pooled by Air France and CSA and results in net annual profit of 200 mil francs for Air France.

Recourse to any of the above econ measures wld destroy hope of settling wagon-lits matter which involves unblocking of 400 mil francs in assets of that company. [2] *End summary.*

Latournelle told me that on bal FonOff was reluctant to contemplate further econ measures including suspension of overflights at this time. I re-emphasized to him the great interest taken by the Pres and Secty in this matter and expressed the hope that M Schuman wld find it possible to take a favorable decision. He replied that he was fully aware of the nature of our interest and said that he wld submit matter at once to M Schuman for prompt reply.

Under the circumstances I believe Dept may wish to call in French Amb and discuss matter with him. Also in view of Deptel

---

[1] Repeated to London, Praha, Brussels, The Hague, and Frankfurt.

[2] In June 1951, the Czechoslovak Government nationalized offices of the French and Belgian-owned Wagon-Lits Company and seized a number of its sleeping cars in Czechoslovakia.

861 Aug 8 [3] I believe it wld be useful if Brit Emb here cld receive instruc to approach Fr FonOff on this matter. Fr view at official level is obviously that we are asking Fr to take step advantages of which will flow almost entirely in our direction, while cost will be borne by them and by Dutch and Belgs; it will be necessary to make maximum of effort in order to persuade them of overriding polit considerations. Schuman will presumably feel that he has to submit question to cabinet.

BONSAL

[3] Telegram 861 reported that the British Foreign Office was informed through the Embassy in Washington that the United Kingdom was prepared to make a concurrent approach to Belgium and the Netherlands in favor of the suspension of Czechoslovak flights over West Germany, and that the British favored establishing a direct connection between the overflight suspension and the Oatis case. (949.5262A/8-851)

## No. 697

949.5262A/8-751: Telegram

*The Acting Secretary of State to the Embassy in the United Kingdom* [1]

SECRET WASHINGTON, August 13, 1951—8 p.m.

945. Brit Emb here now has further communication FonOff on matter suspension overflights (London's 751 Aug 7, [2] Deptel 861 to Paris Aug 8 [3] and Paris tel 980 Aug 11 [4]) indicating UK, in addition to desiring consultation with other interested Western govs and their concurrence, considers essential (1) US prior approach to Czech Gov and (2) avoidance publicity.

UK views on prior approach now appear take into acct our belief connection between suspension and Oatis case shld be avoided. UK thus envisages prelim *démarche* by US Amb to Czech FonMin in which former, stressing again seriousness this problem in US-Czech relations, wld make Czechs understand US cannot let this issue remain unsettled and failure to release Oatis will bring new US

[1] Drafted by Vedeler of EUR/EE; cleared by EUR/WE, EUR/BNA, GER/GPA, and AV; and approved by Reinhardt of EUR/EE and Deputy Assistant Secretary Bonbright. Also sent to Paris and repeated to Praha, Brussels, The Hague, and Frankfurt.

[2] Telegram 751 reported that the British Foreign Office was prepared to concur with the procedure proposed in telegram 805 to London (Document 695), provided the Czechoslovak Government was first informed that overflight suspension and other countermeasures would be taken if Oatis were not released within a certain time. (949.5262A/8-751)

[3] See footnote 3, *supra*.

[4] *Supra*.

action and new consequences. UK believes such approach shld bring Czechs to realization overflights wld be suspended (without mention suspension) unless Oatis released and this might accomplish our purpose, provided suspension itself wld do so. If suspension nevertheless necessary, Czechs wld then know reason for it.

We are willing to go along with UK in this approach and Emb London shld so inform FonOff as we will Brit Emb here. [5] At same time Emb London shld urge FonOff to instruct its Emb in Paris press French for concurrence in suspension in accordance UK agreement take up with Paris (London's reftel) and as Paris Emb recommends (Paris reftel). It is hoped UK wld give due emphasis to importance polit considerations which we strongly believe over-ride any econ factors involved.

As to argument in French memo (Paris reftel) we cannot tell whether suspension overflights might affect question of settling wagon-lits issue, but in any event think present problem of such importance to Western parties generally their coop may well be expected even at cost of some econ sacrifices, particularly in light econ sacrifices all Western countries are called upon to make in upholding collective interests free world. This shld be made clear to UK and Emb Paris shld convey it to FonOff at next approp occasion. Meanwhile Dept will call in French Amb and take up matter with him.

WEBB

---

[5] In telegram 120 from Praha, August 16, Ambassador Briggs commented that the British proposal for a *démarche* in Praha would lead to the indefinite postponement of Oatis' release and might also lead to an early rupture in U.S.-Czechoslovak relations. (249.1111-Oatis, William/8-1651)

## No. 698

249.1111-Oatis, William/8-1451: Telegram

*The Acting Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, August 16, 1951—6 p.m.

114. Re suspension overflights (Deptel London 945 Aug 13, [2] rptd Praha 100 and ur 120 Aug 14 [*16*] [3]) in light your views Dept will take up matter here with Amb Prochazka if way cleared for suspension.

Pres has approved Dept's course action dealing with Oatis case including revocation of outstanding export licenses and denial future applications for license to export Czech (Deptel London 699 July 30 rptd Praha 70 [4]).

USGov now prepared put this export embargo into effect at any time, but believe we shld first make known privately to Czech FonMin what we propose to do. We think this desirable in order give chance to Czechs settle Oatis problem before publicity attending adoption step might increase difficulty for Czechs to act.

In making approach you shld avoid mention Oatis case and refer to existing obstacles to better relations between two countries which cannot be improved until Czechs take some step to remove obstacles. It may be useful to point out state of feeling in US as reflected in various resolutions introduced in Cong and in res adopted Aug 14 by House. [5] If nothing done by Czech Gov in this direction US will be obliged conclude Czech indifferent to situation and take action shortly cut off all exports to Czech. Shld Siroky ask what "shortly" means you may indicate about two weeks.

WEBB

---

[1] Drafted by Vedeler (EUR/EE) and cleared by Schaetzel (E), Auchincloss (GPA), Bonbright (EUR), Matthews (G), and the Department of Commerce. Repeated to London.

[2] *Supra.*

[3] Not printed, but see footnote 5, *supra.*

[4] Not printed. For the course of action proposed to the President, see the Secretary of State's memorandum to the President, Document 693.

[5] See Document 703.

## No. 699

949.5262A/8–1351: Telegram

*The Acting Secretary of State to the Embassy in France* [1]

SECRET WASHINGTON, August 16, 1951—7 p.m.

1025. In absence French Amb (Deptel 954 Aug 13 [2]), Fr Chargé here called in Aug 15 and US position suspension overflights and Oatis case pressed along lines recent Deptels. Referring your mtgs with FonOff this subj Paris and your report Schuman to bring question Cabinet Aug 17 (ur 994 Aug 13 [3]), we said had gained impression Fr reluctant agree suspension because (1) importance given econ consideration involved and some feeling action wld be chiefly at Fr expense but largely for our benefit. We then pointed out nr such cases as Oatis case including Vogeler, Sanders ones [4] and difficulties in trying deal this problem by unilateral means. We emphasized this collective problem, great importance which focused by Oatis case, and in our opinion required collective counteraction. We were tired of seeing this kind of arbitrary treatment Western natls rptd from time to time and desired make it abundantly clear to Commies such provocations so unprofitable they cannot afford continue them. Also dwelt upon adverse effects such Commie mistreatment Western natls on prestige Western countries which must be upheld. For these reasons we believed effective counter-action in Oatis and similar cases matter far-reaching importance Western countries and had suggested this gen problem as item for agenda tripartite FonMins mtg at Washington. [5] Called attention again strong personal interest Pres and Secy in matter. Made clear our readiness restore CSA overflights soon as satis obtained and willingness consider using this weapon likewise behalf imprisoned Fr natls. Chargé agreed report Paris our request for concurrence suspension and above views.

WEBB

---

[1] Drafted by Vedeler of EUR/EE, cleared by EUR/WE, and approved by Deputy Assistant Secretary Bonbright. Repeated for information to London, Frankfurt, Praha, Brussels, and The Hague.

[2] Same as telegram 945 to London, Document 697.

[3] Telegram 994 reported that Foreign Minister Schuman planned to present the Czechoslovak overflight question before the first meeting of the newly-formed cabinet of French Prime Minister Pleven on August 17. (949.5262A/8–1351)

[4] For documentation on the Vogeler and Sanders cases, see Documents 723 ff.

[5] At the time of the preparation of this telegram, Secretary of State Acheson was planning to hold a series of meetings with Foreign Minister Schuman and British Foreign Secretary Morrison in Washington in September on a variety of major foreign policy problems. The three Foreign Ministers met in Washington September 10–14, but the question of Czechoslovak flights over Germany was not discussed. For documentation, see vol. III, Part 1, pp. 1163 ff.

## No. 700

*Editorial Note*

On August 15, the United States submitted to the Social Committee of the United Nations Economic and Social Council a resolution expressing the Council's extreme concern over governmental acts similar to the Czechoslovak Government's imprisonment of AP correspondent William Oatis. The resolution was adopted by the Committee. For the text of the remarks of Walter Kotschnig, United States representative on the Committee, made in introducing the resolution, see Department of State *Bulletin*, August 20, 1951, page 289. For the text of the resolution as adopted by the Committee (United Nations Economic and Social Council document E/2083, August 18, 1951), see *ibid.* Excerpts from the debate in the Committee on the resolution appeared in Department of State Press Release 734 of 1951. For Kotschnig's observations on the discussions in the Committee, see his memorandum of August 18 to Sandifer, *infra.*

---

## No. 701

249.1111-Oatis, William/8-1851

*Memorandum by the United States Deputy Representative to the United Nations Economic and Social Council (Kotschnig) to the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer)*

CONFIDENTIAL [GENEVA?] August 18, 1951.

Subject: Observations on the Oatis Case in ECOSOC. [1]

The discussions of the Oatis case in the Social Committee of the Council has come to an end and the Committee voted by 13 to 3 (with 2 absent) for the U.S. resolution condemning restraints on and unjust punishments of correspondents doing their duty and asking for a revocation of such restraints and punishments. From the point of view of the public and to a somewhat lesser extent of the delegations at the Council, we have scored a substantial success. The Communist delegations were obviously squirming under the U.S. attacks and the very violence of their answers revealed their inherent weakness which did not go unnoticed in the Council.

This outcome was not achieved without very considerable difficulties. The first reactions which the U.S. delegation encountered

[1] See the editorial note, *supra.*

when talking to other delegations about our raising the Oatis case was that such an attempt might easily be ruled out of order since the Oatis case was not on the agenda and that several delegations might find it difficult to oppose such a ruling on the part of the Czechoslovak Chairman of the Committee. It is for this reason that the U.S. delegation did not raise any points of order when in the earlier debate of the Draft Convention on Freedom of Information the Communist delegations made statements against the U.S. which very definitely were out of order. For this same reason we included in our resolution the last paragraph regarding the opening of the Newsgathering Convention for signature in spite of the fact that we were fully aware that we could not possibly obtain a majority for that paragraph. By including it, however, and since the General Assembly itself had tied the Newsgathering Convention to the Convention on Freedom of Information, we made it more difficult for the Chairman to rule our resolution out of order. As a matter of fact, and in spite of very clear earlier indications that the Chairman would make such a move, he did not challenge our right to introduce the resolution. It should be recorded at this point that the French delegate, M. Keyser, embittered by the fact that he could not get majority support for the holding of a plenipotentiary conference to complete the Freedom of Information Convention, actually in a speech in the Committee suggested that the U.S. resolution was "perhaps out of order". This coming from M. Keyser was not surprising but gave us some anxious moments. Fortunately the Chairman did not act on this broad hint.

The most outstanding and most disquieting aspect of the discussion of the Oatis case was the fact that it developed into a duel exclusively between the U.S. Representative and the three Communist countries. Not one of the other delegations openly came to our assistance. They voted for our resolution but that was all.

The reasons for the reluctance from the other delegations to support us in the debate itself are essentially threefold:

1. The delegations were evidently afraid that by speaking in the debate they might commit themselves to any future action which the U.S. might undertake to put pressure on the Czechoslovak government. They were particularly afraid that they might become committed to any future trade embargoes, suspension of communications, etc.

2. It was shocking to the U.S. delegation to realize that even some of our friends did not seem to be convinced of the innocence of Oatis as the debate started. In private discussions it was several times suggested that after all everybody knew that everybody had spies in everybody elses country and that therefore, after all, it might well be that Oatis had been engaged in spying activities. Personal assurances and expressions of indignation over such an

attitude made in these private discussions and the debate itself, helped to dispel this feeling and from this point of view made a real gain in relation to the other delegations. However, if what we encountered in the Council is at all typical of public reactions, and I am afraid it is, the Department should very carefully analyze ways and means of combatting such an attitude.

3. The U.S. position was greatly weakened by the fact that we were not able to tie the Oatis case to certain other blatant violations of freedom of information such as the *Prensa* case. [2] This was made quite clear in a statement of the Belgian representative who, from the very start, had been very friendly toward our position. This fact probably more than anything else turned the discussion of the Oatis case into a duel between the U.S. and the Communist countries. In the eyes of other delegations it greatly weakened our moral position. If the Department should plan to raise the Oatis case in the General Assembly this point should be given most careful consideration.

---

[2] Reference is to the activities of the Argentine Government which resulted in the closing of the opposition newspaper *La Prensa*. For documentation on this matter, see vol. II, pp. 1079 ff.

---

## No. 702

249.1111-Oatis, William/8-1851: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

SECRET PRAHA, August 18, 1951—4 p.m.

132. In absence on vacation FonMin Siroky, I called this morning on acting FonMin Sekaninova pursuant instructions Deptel 114 Aug 16. [1]

I recalled that when presenting credentials nearly two years ago I had sought dedicate my service here to constructive possibilities my mission with which objective President Gottwald had indicated his agreement. [2] In subsequent discussions FonMin's Clementis and Siroky, especially with latter April last year, I had tried develop

---

[1] Telegram 114 stated that the Department of State was prepared to put into effect the course of action dealing with the Oatis case approved by the President but instructed Ambassador Briggs first to inform Foreign Minister Široký privately of the intended U.S. actions. Such an approach would give Czechoslovakia an opportunity to settle the Oatis case before publicity attending the export embargo made further Czechoslovak action difficult. Briggs was to avoid mentioning the Oatis case, was to refer to existing obstacles to better relations between the two countries, could point out the state of feeling in the United States as reflected in various resolutions introduced in Congress, and was to indicate that failure by Czechoslovakia to take any action would lead to cutting off of all U.S. exports to Czechoslovakia. (249.1111-Oatis, William/8-1451)

[2] Regarding Briggs' presentation of credentials as Ambassador on November 8, 1949, see telegram 1671, November 8, 1949, *Foreign Relations*, 1949, vol. v, p. 412.

same possibilities. But as Mme. Sekaninova aware obstacle has now arisen to good relations which unless removed can render them still more difficult. I then proceeded as per last paragraph Deptel in ref, without specifically mentioning Oatis case. Described purpose my visit was to reiterate way ought to be found without further delay to remove obstacle and place relations on more favorable basis.

At conclusion my remarks Mme. Sekaninova after considerable pause asked whether all these matters had not already been discussed between FonMin and me during recent meetings notably last month, to which I replied that the situation had indeed been discussed but that purpose my call was to contribute if possible to removal of obstacle rather than to discuss how it had arisen.

Mme. Sekaninova said my observations would be conveyed to Siroky on his return "in about ten days or two weeks". Her failure to respond more constructively probably need not however, be regarded as significant as she lacks independent authority and customarily informs callers their views will be reported to appropriate official.

BRIGGS

---

## No. 703

*Editorial Note*

House Concurrent Resolution 140, expressing "profound indignation at the arrest, sham trial and unjust conviction of William N. Oatis" was adopted by the House of Representatives on August 14 by a vote of 363 to 1 and by the Senate on August 23 by a vote of 81 to 0. The resolution requested executive agencies to take all possible action to bring about Oatis' release and expressed the sense of Congress that all commercial relations with Czechoslovakia should be terminated immediately. For text of the resolution, see Department of State *Bulletin*, September 10, 1951, page 417.

The resolution, introduced in the House of Representatives by Representative Beamer on July 6, was one of nine House resolutions and three Senate resolutions introduced during July to express Congressional indignation at the arrest and conviction of Oatis and to request the taking of measures to bring about his immediate release. Some of these resolutions proposed the evacuation of all American nationals from Czechoslovakia with a view to severing diplomatic relations with Czechoslovakia or preventing the representatives of the foreign Communist press from operating in the United States. In two letters of August 1 (one open and one

confidential) to Representative James P. Richards, Chairman of the House Committee on Foreign Affairs, and in a confidential letter of August 3 to Senator Tom Connally, Assistant Secretary of State Jack McFall expressed the Department's views on the various proposed resolutions. (249.1111-Oatis, William/7-2351 and 7-1851) The general view of the Department with respect to these resolutions was expressed in the concluding section of a confidential briefing memorandum on the Oatis case, dated July 23, submitted to the Senate Foreign Relations Committee and the House Committee on Foreign Affairs:

"*Congressional Resolutions.* The Department fully shares the outraged feelings which have led to the introduction in Congress of various resolutions on this subject. The Department also appreciates the help which all of these have provided in impressing the Czechoslovak Government with the importance of this issue to the American people and Government. These have been of value in our opinion especially as the Department has used them over the Voice of America as the medium for communicating them to the Czechoslovak Government and people.

"As to the substantive merits of the different resolutions, it is hoped that the following consideration may be taken into account. However much it may be desired to punish the Czechoslovak Government for its outrageous treatment of this American citizen and representative of the free press and however much such punishment is warranted, it would in our opinion help Mr. Oatis the most, for the present, if any resolution not go so far as to encourage the creation of a great international issue, excluding room for retreat on the part of the Communists. The Department stresses again that its primary objective is to get Mr. Oatis released as soon as possible and is determined to do everything this Government can to achieve this purpose; and that punishment of or retaliation against the Czechoslovak Government should be subordinated to the attainment of our primary objective. At this particular moment the most assistance would be given to our diplomatic effort by a concurrent resolution along the lines of S. Con. Res. 37 and H. Con. Res. 140, which the Department could then use to advantage in our continuing representations to the Czechoslovak Government." (249.1111-Oatis, William/7-2351)

## No. 704

601.4911/8-2451

*Memorandum by the Secretary of State* [1]

[WASHINGTON,] August 27, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Presentation of Credentials by the Czechoslovak Ambassador

For some time the Department has planned to do some plain talking with the new Czechoslovak Ambassador, Dr. Vladimir Prochazka, about the Oatis case as soon as he becomes the recognized representative of his Government by presentation of his credentials to you. When he called on August 23 to request arrangements for such presentation, I informed him that I wished to have a thorough discussion of the Oatis case with him, in view of the very strong feelings of this Government about it, as soon as he presented his letter of credence. [2]

You may wish to consider addressing to the Ambassador, immediately after your formal remarks in reply to his in connection with the presentation of his letter of credence, some vigorous comment on the present state of relations between the United States and Czechoslovakia owing to the latter's arbitrary treatment of American nationals within its borders as evidenced particularly in the Oatis case. The reply recommended by the President to the Ambassador's formal remarks might provide an appropriate point of departure for comment of this kind.

*Recommendation*

That you comment along the following lines to the new Czechoslovak Ambassador:

"I wish to draw your attention to the aroused indignation of the American people and Government at the unjust treatment of Mr. Oatis. The adverse effects which this incident is having on the relations between the US and Czechoslovak must be already apparent to you. This situation presents an opportunity for you to accomplish something worthwhile in the improvement of those relations at the beginning of your work here. If nothing is done, you will find the situation on the coming increasingly difficult. Continued

---

[1] Drafted by Vedeler of EUR/EE and cleared by Deputy Assistant Secretary Bonbright and Assistant Secretary Perkins.

[2] The Secretary of State's memorandum of his 5-minute courtesy conversation with Ambassador-designate Procházka on August 23 is in file 601.4911/8-2351.

inaction on the part of your Government can only lead to the further worsening of relations between our two countries." [3]

DEAN ACHESON

[3] Ambassador Procházka presented his credentials to President Truman at the White House on August 28; for the text of the formal remarks exchanged on that occasion, see Department of State *Bulletin*, September 10, 1951, p. 416. After Ambassador Procházka's presentation, Presidential Secretary Joseph Short held a brief news conference and issued a statement orally to the press substantially as follows:

"In the conversation between the President and the Ambassador, the Ambassador said he hoped to make our relations more cordial. The President replied that the best way he could make our relations more cordial was to send our AP correspondent Oatis home.

"The President further said that relations between our two countries had deteriorated ever since Jan Masaryk was murdered. Before that time, the President said, the relations between the United States and the Republic of Czechoslovakia had been wonderful. He mentioned the extreme friendliness of our political relations and the back-and-forth trade relations. But now, the President said, it looked as if our relations would be what they had been unless Czechoslovakia changed its policy.

"The Ambassador made no response to his remarks." (*Ibid.*)

## No. 705

949.5262A/8-2251: Telegram

*The Secretary of State to the Embassy in France* [1]

SECRET WASHINGTON, August 25, 1951—2 p.m.

1188. Interpretation to be placed on Dutch position re suspension overflights not entirely clear but in view last para (Hague's 200 Aug 22 [2]) assume Dutch will go along reluctantly. Uncertain whether Belgs have indicated their final views (Brussels' 186 Aug 6 [3]) but Brit Emb here understands from Brit Emb Brussels that

[1] Drafted by Vedeler of EUR/EE; cleared by AV, GER/GPA, EUR/BNA, and EUR/WE; and approved by EUR/EE Director Reinhardt, Deputy Assistant Secretary Bonbright, and Assistant Secretary Perkins. Also sent to London, Brussels, and The Hague, and repeated to Praha and Frankfurt.

[2] Telegram 200 reported that Reuchlin, Director of Political Affairs in the Netherlands Foreign Ministry, had informed American and British representatives of his government's views on denying Czechoslovak flights over West Germany. The Netherlands was fully aware of the American position but doubted that the contemplated actions and representations would affect the release of Oatis. Reuchlin stated that possible Czechoslovak retaliation against KLM flights to Praha might result in a loss of $500,000 annually and BOAC or some other airline taking over the business. Reuchlin said his government was agreeable to drastic measures which might have to be taken but hoped they would not be solely at the expense of KLM and inferentially Sabena for the benefit of BOAC. (949.5262A/8-2251)

[3] Telegram 186 reported that Ambassador Murphy had consulted with Belgian Foreign Ministry Secretary General De Gruben regarding measures to deny overflight rights to the Czechoslovak Airline. De Gruben observed that offhand he could not see how Belgian interests would be jeopardized. (949.5262A/8-651)

Belg agrees to suspension. Dept desires confirmation Belg position and clarification whether "formal approach" (Brussels tel 217 Aug 15 [4]) expected by Brussels.

As Dept and UK Emb here see it in light above and Paris tel 1148 Aug 22, [5] way appears clear for action, with exception disposing few loose ends. If this correct suggest fol:

(1) Embs London, Paris, Brussels and Hague inform FonOffs in view results consultations carried on last month now appears possible move ahead with this joint measure for protection Western natls, particularly in connection Oatis and two imprisoned Fr natls (Paris reftel Aug 22). We therefore propose, fol substance UK suggestion, approach Czechs through Czech Amb here to indicate obstacles to better relations between US and Czech, including arbitrary arrest Oatis and other Western nationals which unless removed cld only lead further worsening relations Czech and West and this must be serious factor to be taken into acct re renewal overflight privileges. Specific mention suspension wld be avoided at least in initial approach but Czechs wld be made understand clearly action projected and reason for it. We anticipate no such mtg with Czech Amb until about Aug 29 after he presents credentials Aug 28. If so probably necessary allow week or ten days thereafter for Czechs consider matter and consult Moscow. This case CAB shld give interim notification Czech Aug 31 as on July 31 so we cld cut off overflights about Sept 7.

(2) Emb Paris may inform Fr US agreeable to their making corresponding approach Paris or Praha behalf two Fr natls concomitantly our approach Czechs here and shld express to FonMin our genuine appreciation Fr willingness act in solidarity US and UK.

(3) Emb Brussels and Hague stress again to FonOffs, if necessary, along lines recent tels particularly Deptel to Paris 1025 Aug 16 [6] need for suspension in present situation caused by arbitrary imprisonment Oatis and other Western natls which we consider matter of concern to all Western countries calling for joint as well as unilateral measures. Point out this is only one part of program of unilateral and joint action (including US prohibition private travel to Czech; vigorous statement US views on Oatis case and introduction associated resolution ECOSOC; denial mil permits for travel Czechs Western Ger with exception certain specified categories as agreed with UK and Fr; strong *démarche* with new Czech Amb to US; probable early action prevent exports from US to

---

[4] Not printed. Telegram 276 from Brussels, August 28, reported that the Embassy had been informed by the Foreign Ministry that the Belgian Government would not oppose any action which the United States, the United Kingdom, and France proposed to take and was prepared to sustain the losses which might be involved if Sabena airlines service was cut off by Czechoslovakia. (949.5262A/8-2851)

[5] Telegram 1148 reported that the Embassy had just been informed by the Foreign Ministry that the French Cabinet had that morning approved suspension of Czechoslovak air service over Germany as a measure of solidarity with the United States. The French Foreign Ministry again brought up the question of two French citizens imprisoned in Czechoslovakia for long sentences for alleged political crimes. (949.5262A/8-2251)

[6] Document 699.

Czech) designed not only obtain release Oatis but discourage recurrence such arbitrary acts of force against Western states by Commies. For latter reason especially desire to show Czechs West acting as bloc in present circumstances. If Belgs and Dutch shld ask for similar use this measure for any their natls unjustly imprisoned for polit reasons we wld give matter sympathetic consideration (Paris tel 1178 Aug 23 [7]). Finally, mention concurrence UK and Fr view these considerations. Also express our apprec Belgs and Dutch for concurrence.

ACHESON

[7] Telegram 1178 transmitted a translated text of a note just received from the French Foreign Ministry formally expressing France's willingness to associate itself with "the measures of reprisal" which the U.S. Government contemplated adopting vis-à-vis Czechoslovakia. In the note the French Government also renewed its proposal that the measures be presented as a counteraction not only to the arrest of William Oatis but of all the "citizens of Atlantic Powers who are arbitrarily imprisoned for political reasons in Czech jails" including two French citizens. (949.5262A/8-2351)

## No. 706

611.49/8-2951

*Memorandum of Conversation, by the Secretary of State*

CONFIDENTIAL [WASHINGTON,] August 29, 1951.

Subject: US-Czechoslovak Relations

Participants: The Secretary
Dr. Vladimir Prochazka, the Czechoslovak Ambassador
Mr. Jan Vínar, First Secretary, Czechoslovak Embassy
Mr. Vedeler, EE

The Ambassador of Czechoslovakia was summoned to my office today at 2 p.m. I began the conversation by referring to my statement during his courtesy visit on August 23 that I desired to see him immediately after presentation of his credentials for a full and frank discussion of the Oatis case. [1] I also alluded to the President's remarks to the Ambassador yesterday on the present state of relations between the US and Czechoslovakia. [2]

[1] Secretary Acheson's memorandum of conversation covering Ambassador Procházka's 5-minute courtesy call on August 23 is in file 611.4911/8-2351.

[2] Regarding Ambassador Procházka's formal presentation of credentials to President Truman and the exchange of remarks, see the Secretary's memorandum to the President, Document 704.

I said that relations between the two countries had never been at such a low point since the war as at the present time. He must have been here long enough to sense the tension surrounding the issues between the two Governments. He could plainly see evidences of the great indignation of the American people at the actions of his Government. The deterioration of relations arising from these acts had already progressed a long way and would continue unless steps were taken to halt it. The Czechoslovak Government had not yet taken such steps. In this situation the US was proceeding to stop exports to Czechoslovakia, as Ambassador Briggs had indicated in Prague, [3] and this measure would go into effect at the end of the month. [4] If nothing was done to improve the situation the US would also be obliged to take it into account with the British and French when renewal of the Czechoslovak permit to overfly Western Germany came up for consideration at the end of this month.

I said that these difficulties poisoning our relations could and should be removed. We on our side did not wish to see the present trend continue. Whether it might change for the better was consequently up to the Czechoslovak Government. Whatever its conception of relations with other countries, its interest would be not to let the present worsening proceed unchecked. There was thus an opportunity at hand to do something constructive in the interests of both countries and I hoped that he might become the architect of better mutual relations.

If that were to be brought about, I continued in taking up the Oatis case, the Czechoslovak Government must stop the arbitrary and unjust imprisonment of American citizens and show a change of attitude by the release of Oatis and Hvasta. [5] The conduct of the Czechoslovak Government in the Oatis case was incomprehensible to the American people and the intensity of feelings about the matter was clear in the resolution adopted by Congress, with which he was probably already familiar, and the other resolutions on this

---

[3] See telegram 132 from Praha, Document 702.

[4] Telegram 148 to Praha, August 30, which transmitted a summary of the conversation recorded here, added the following comment regarding the inauguration of an embargo on exports to Czechoslovakia:

"We have been in touch with Commerce and understand export action mentioned above will go into effect on or about Sept 5. It will be handled in way not dissimilar to your treatment of consular invoices but will amt to embargo in practice. This will not be announced as embargo or by formal public regulation in order increase uncertainty for Czechs and not raise possible obstacles to their yielding through publicizing overt pressure.

"Dept now attempting work out with Treasury similar arrangements for prevention imports." (249.1111-Oatis, William/8-3051)

[5] Regarding the Hvasta case, see footnote 7, Document 671.

subject introduced in Congress. [6] The treatment of Oatis by Czechoslovakia was utterly inconsistent with every standard recognized by other countries as governing the position of an accredited foreign journalist. Oatis had committed no offense; he had only gathered and reported news as journalists are doing daily in almost every country of the world. Accusations were made without grounds, he was tried without legal counsel of his own choice, he was condemned without evidence to support the charges, he was sentenced to an effective term of five years imprisonment without any valid legal basis and he has never been allowed a visit of friend or official representative. Our notes seeking permission for such a visit and a copy of the indictment and sentence have gone unanswered. This absence of any pretense of justice in condemning a man for doing the usual work of a journalist and the failure to answer our notes can only mean that the Czechoslovak Government has intended an act of provocation against the US.

I said that the Hvasta case displayed a similar lack of good will on the part of the Czechoslovak Government. This man had served in the war as a member of the US armed forces and then returned to Czechoslovakia as a student. But being a foreign student made one an object of suspicion to the Czechoslovak Government and he was sentenced to three years imprisonment. He has virtually completed this term, yet the sentence was extended ten years.

I said that it was not customary to imprison journalists for working as journalists and students for being students. If the Czechoslovak Government considered that their conduct in these capacities was not satisfactory, the proper course would have been to expel them from Czechoslovakia and that is what we sought now.

Ambassador Prochazka inquired whether a demand was being presented and whether the President had spoken in this sense yesterday. If so, the Ambassador was not authorized to discuss it. He wished, however, to express views on two points: (1) The condemnation of the trial of Oatis as a "sham" trial was a criticism of Czechoslovak courts and judicial procedure, representing an intervention in the internal affairs of his country. Oatis was under Czechoslovak jurisdiction, had been tried by the Czechoslovak courts under Czechoslovak law not for the activities of a journalist but for activities transgressing those of a journalist, and had been found guilty and punished in accordance with the Law for the Protection of the Republic. There was consequently no ground for complaint under international law against the proceedings. (2) Pressure was being exercised against the Czechoslovak Government in this case and it would not take any action under political or economic pressure. He

[6] See Document 703.

said he may not have expressed the appropriate shades of meaning in English; if he had not made himself understood, he would be glad to answer any questions.

I replied that I understood perfectly his meaning. He meant that any kind of action taken under any kind of law by one state against the citizens of another state conformed to international law. That was not the kind of international law I was used to, or the kind commonly accepted. I knew very well the charges of "espionage" made against Mr. Oatis and the type of "trial" that was held in his case. It was useless to make such an argument as this. In regard to his other point, the Czechoslovak Government could only expect that when it committed a provocative act against the US there would be a strong reaction here.

Ambassador Prochazka then remarked on the campaign of pressure in the economic field, indicating that this was a systematic propaganda effort for which the US Government was entirely responsible. I declared that no campaign was involved. On the contrary, nothing was more spontaneous on the part of the American people than the strong feeling to which they had given expression and their strong desire for the release of Oatis.

The Ambassador next complained about discriminatory treatment of Czechoslovakia in economic matters, referring to recent steps which interfere with trade between the US and Czechoslovakia. I indicated that any action taken in the economic field by the US since the imprisonment of Oatis was a natural and inevitable consequence of the unjustified conduct on the part of the Czechoslovak Government. If it did this kind of thing, it must expect other governments to recognize the provocation and take steps accordingly. Claiming that our alleged discriminatory attitude was manifested ever since February 1948 in restrictions on trade with seeming hostility toward the regime itself, the Ambassador was informed that while export controls have been in effect for more than three years, they have been applied to all the countries associated with the Soviet Union. We were determined to withhold, and are fully justified in withholding, the export to those countries of items essential to our own security. The US had treated all these countries on the same basis; if Czechoslovakia had joined with them, this was something for which the US could not be held responsible.

Finally, the Ambassador said that he could see no purpose in discussing the merits of the Oatis case. I agreed it was not useful to pursue the issue of merits further, adding that all we wished was the expulsion of Oatis and Hvasta from Czechoslovakia and their return to the US. If this could be arranged, the growth of tension might be stopped and a basis laid for the improvement of relations. If nothing was done, the situation would steadily worsen.

The Ambassador said he would report these views to his Government. I expressed a desire that he do so and that after he had received a reply he communicate with the Department so that we might discuss the matter again. I reiterated that the US did not wish the present trend to go on and if there was to be a change it was now a matter for decision by his Government.

The conversation lasted thirty minutes and as he arose to leave I handed him copies of the text of the Concurrent Resolution of Congress on the Oatis case to which I had previously referred.

After his first remarks, obviously prepared in advance, the Ambassador paused from time to time in finding replies to make. He defended the action of the Czechoslovak Government in the Oatis case without display of fanatical zeal and gave some impression that his Government is feeling our counter measures and might be inclined to a solution of the Oatis case if it could be worked out without the appearance of Czechoslovakia yielding to the pressure of the US. [7]

[7] Following the conclusion of Ambassador Procházka's call upon the Secretary of State, the Department of State issued to the press a statement briefly summarizing the substance of the Secretary's remarks to the Ambassador, particularly his emphasis on the aroused feeling of the American people and Government "at the arbitrary and unjust treatment" of William Oatis and other American citizens by the Czechoslovak Government. A substantially complete version of the Department's statement is printed in Department of State *Bulletin*, September 10, 1951, p. 417. For his part, Ambassador Procházka told newsmen after his meeting with Secretary Acheson that the Oatis case was closed as far as the Czechoslovak Government was concerned; see *ibid.* At his news conference on August 30, President Truman rejected Procházka's contention that the Oatis case was closed and insisted that the case would not be closed until Oatis was out of jail; see *ibid.*, or *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, p. 495.

## No. 707

949.5262A/9-851 Telegram

*The Acting Secretary of State to the Office of the United States High Commissioner for Germany, at Frankfurt* [1]

SECRET PRIORITY NIACT WASHINGTON, September 8, 1951—3 p.m.

1689. Dutch Min called on Dept Sept 8 re Czech overflights and stated that Dutch Govt concurred with suspension CSA permits, although with some reluctance. [2]

[1] Drafted by Wolf of EUR/RA; cleared by Scott of EUR/WE, Vedeler of EUR/EE, and Lewis of GER; and approved by Bonbright. Repeated to London, Paris, The Hague, Brussels, and Bern.

[2] Telegram 290 to The Hague, September 5, reported that Netherlands Ambassador Van Kleffens called at the Department of State on September 5 and delivered a

*Continued*

FYI only, he referred to (a) fact that US had not cooperated in case of Dutch natl Louwers when held behind Iron Curtain (b) financial loss to Dutch shd KLM be suspended, while no US airline wld be hurt financially (c) only casually to US attitude re KLM stop at NY on Caribbean route. We responded that (a) we did not recall that our support had been requested in Louwers case; that gen problem of treatment of Western natls behind Curtain was becoming more and more a matter of mutual concern with respect to which sympathetic consideration shd be given by all Western nations. We added that gen subject wld be on Wash Tripartite Conf agenda next week. [3]

Dutch Min made strong request no public reference be made to Dutch concurrence in suspension overflights and we agreed thereto.

HICOG shd therefore push for HICOM action to suspend all CSA overflights effective Sept 10, giving notice to Czechs Sept 9. If such notice cannot be given Sept 9, HICOM may in its discretion wish to give 24 hour notice to Czechs to obviate operational problems. In any event, suspension shd become effective not later than Sept 11. [4]

It will be remembered we have engaged not to initiate publicity on this action and to minimize publicity with respect thereto. HICOG and HICOM shd therefore not give any press release on action when taken. If queried by press as to connection between suspension and Oatis or Fr natls, reply shd be "no comment". Max-

---

note making it clear that the Netherlands agreement to suspend Czechoslovak overflight rights in West Germany was subject to the express condition that it be agreed and feasible to stop completely all transportation by Czechoslovak aircraft via Denmark, Sweden, Switzerland, and East Berlin. It was frankly admitted that financial considerations controlled Netherlands thinking in the matter. Department of State officials stressed that the proposed suspension was a political weapon which far outbalanced the financial considerations involved, particularly in a case involving the fair treatment of Western nationals behind the Iron Curtain. Department of State officials requested the withdrawal of the Netherlands condition and stressed the great importance with which the Oatis case was viewed by the American public and government and the ill effect upon the position of the Netherlands in American eyes should it remain the sole country not cooperating in the action against Czechoslovakia. The Embassy in The Hague was urged to repeat the Department's arguments to the highest Netherlands Foreign Ministry officials and make every effort to have them alter their position. (949.5262A/9-551) Telegram 263 from The Hague, September 8, reported that the Netherlands Government had withdrawn its condition to agreeing to the suspension of Czechoslovak overflights. (949.5262A/9-851)

[3] See footnote 5, Document 699.

[4] Telegram 2229 from Frankfurt, September 10, reported that a note had been delivered that morning to the Czechoslovak Military Mission in Berlin announcing that the Allied High Commission for Germany was suspending until further notice the permit of the Czechoslovak Airlines to fly across West Germany effective September 11. (949.5262A/9-1051)

imum response to press queries shd be that CSA permit suspended until further notice.

Appreciate efforts all missions this matter.

WEBB

---

## No. 708

*Editorial Note*

On the afternoon of September 13, a Czechoslovak train consisting of a locomotive and four passenger cars on the Praha–Eger route was commandeered by a group of dissidents including some of the train crew and was run into the United States zone of occupation of Germany. Seventy-seven persons on the train who wished to return to Czechoslovakia were repatriated on September 13 after having been housed and fed by American authorities. Thirty-one passengers and crew members, including the engineer, chose to seek asylum in the West. Return of the train itself was delayed while the United States consulted with friendly Western nations concerning its disposition. The Embassy in Praha received two notes on September 20 from the Czechoslovak Foreign Ministry protesting alleged U.S. complicity in the escape of the train into Germany and the "mistreatment" given four Czechoslovak officials who entered Germany to arrange for the return of the escapees. The Embassy's replies of October 1, delivered on instruction from the Department of State, made it clear that the part played by American authorities in the episode was limited to the granting of asylum to those who did not wish to return to Czechoslovakia. For text of the exchange of notes, released to the press on October 1, see Department of State *Bulletin*, October 15, 1951, pages 624–628. The train itself was eventually returned to Czechoslovakia on October 10. Documentation on the train episode is in file 794.000.

## No. 709

611.49/9-1451: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State* [1]

SECRET PRAHA, September 14, 1951—3 p.m.

214. Belg Min Carton de Wiart had 45 minute mtg with Pres Gottwald yesterday during which Min cited Oatis case as obstacle good relations between Czecho and west. Fon Min Siroky present. Although both he and Pres denounced Oatis as spy, Carton's impression is Czechs considerably disturbed by recent developments.

Interview was arranged at Belg Min's request to notify Gottwald officially of accession new Belg King. This having been done Pres appeared disposed continue conversation and asked how Min getting on, to which Carton replied he had spent first two yrs in Praha trying cement good relations and next two trying to keep them from falling apart. After refs by Carton to items of Czecho-Belg interest, Gottwald remarked that West Eur "under leadership US" is now trying blockade Czecho, this being ref to denial CSA overflights. Carton said this gave him opportunity introduce Oatis case with statement that in attacking press by arresting correspondent Czecho had started something US wld never in Min's opinion abandon so long as Oatis under detention. Furthermore he indicated US attitude widely supported. He said he mentioned *Prensa* case as further illustrative way in which West aroused over attack on freedom of info.

When Pres and Siroky declared Oatis guilty espionage and went into "he confessed to being spy" act, Carton replied that only by Czech definition cld Oatis activities be labeled espionage. By all previously accepted criteria Oatis was merely acting as responsible newspaper reporter.

Carton also informed me incident at end conversation which he said perhaps significant: Seeking terminate discussion with Pres on more friendly note Carton commented on fine Sept weather and pointing to open palace windows observed that internatl relations might be less strained if equally ventilated. At that Pres took Min's arm and marching him to window commanding wide view over Praha roofs, sourly indicated US flag on Chancery hilltop. According Carton, implication Gottwald was apparently seeking convey was that his view spoiled as long as US flag visible (Embdesp 109 Oct 30, 1950 [2]).

---

[1] Repeated for information to Brussels.

[2] Not printed.

I expressed appreciation to Belg colleague for his interposition and for his comments on interview. Believe friendly ref to Min's initiative by Amb Murphy might well be in order.

Except for credential presenting, by newly arrived diplomats, this is first talk with Pres Gottwald by non-Commie rep in many months. Carton said Pres appeared vigorous and in good health. There was no ref during talk to govt reorganization of last week. [3]

BRIGGS

[3] Telegram 222 from Praha, September 17, reported upon a later conversation Briggs had with Carton de Wiart who commented further upon his meeting with Gottwald and the discussion in particular of the Oatis case. Gottwald was adamant on Czechoslovakia's determination not to yield to American pressure in the matter. Carton de Wiart's interpretation was that American pressure was beginning to have effect but that some time would pass and the situation would have to ripen sufficiently before an arrangement became possible. Carton de Wiart also observed that while Gottwald denounced the United States in general, he in particular dwelt bitterly on the Radio Free Europe "balloon invasion". (611.49/9-1751)

## No. 710

740.00/9-2051: Telegram

*The Acting Secretary of State to the Embassy in Czechoslovakia* [1]

TOP SECRET
PRIORITY NIACT

WASHINGTON, September 20, 1951—7 p.m.

189. Reurtel 213, Sep 13, 7 p.m., para 2. [2] Balloons wld carry unsigned msg providing factual account train episode [3] and reception and handling of passengers aboard. Leaflet wld also contain fol message "31 of the passengers choose to remain in the West, 77 chose to return to their homes, wives, husbands and children and have been freely permitted to go back. These 77 chose to defer personal freedom until the day when their country and their people can together regain freedom for all. It will take time, just as Engineer Konbalinka's plans did, to switch the track that will shunt Czecho off its present road to Moscow and on to the main line that leads to freedom and justice for all."

Reverse of leaflet bearing pictures of trains, engineer and fireman wld have fol msg from Konbalinka stating: "People of Czecho,

[1] Drafted by Joyce (S/P) and Higgs (EUR/EE) and approved by Bonbright and apparently also by Acting Secretary Webb, Counselor Bohlen, Assistant Secretary Barrett, and S/P, Director Nitze.

[2] Not printed.

[3] Regarding this episode, see Document 708. Regarding the propaganda balloon project of which the launching referred to here was a part, see Sargeant's memorandum to Webb, Document 636.

I beg you, for your own good, not to believe that 'Amer agents' were involved in freedom train episode. It is just one more of the many lies spread by the Muscovites. Mr. Trusa and I planned the project entirely alone because conditions as so many of you know them at home have become unbearable for us."

Ur 217, Sep 14 [4] and 222, Sep 17. [5] Pls cable niact ur judgment 1) whether balloon operation within next few days shld be undertaken; 2) on contents proposed leaflet and 3) whether operation wld seriously prejudice efforts for release Oatis.

Imperative have reply tommorrow. [6]

WEBB

---

[4] Telegram 217 admitted the temptation to recommend the return of the Czechoslovak "freedom train" "one wheel at a time" as "wonderfully satisfying after boorish Commie behavior" but expressed doubt as to whether such action would really advance American interests and therefore recommended early return of the train. (749.00/9–1451)

[5] Not printed, but see footnote 3, *supra*.

[6] In telegram 246 from Praha, September 22, Briggs replied that the proposed balloon operation should be undertaken immediately and expressed the belief that the broader issues at stake were sufficiently important to justify the project even at the risk of postponing a period of stabilized U.S.-Czechoslovak relations which might be the prerequisite for Oatis' release. (749.00/9–2251)

Telegram 200 to Praha, September 26, informed that the proposed balloon operation began on September 26 and was expected to continue until 10,000 balloons containing 8,000,000 messages had been released. (749.00/–2651)

---

## No. 711

*Editorial Note*

The Trade Agreements Act of 1951 as approved by President Truman on June 16 (Public Law 82–50) provided that:

"as soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in trade agreement . . . to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world communist movement."

Acting through the interdepartmental Trade Agreements Committee, the United States Government undertook a course of action aimed at termination of obligations existing between the United States and Czechoslovakia under the General Agreement on Tariffs and Trade. The Department of State announced on July 31 that the United States had requested that the item "Termination of Obligations between the United States and Czechoslovakia" be placed

on the agenda of the sixth session of the Contracting Parties to GATT, convening in Geneva on September 17. In a statement to the GATT Contracting Parties, the United States pointed out that when GATT obligations were framed in 1947, it had been assumed that the political relations of the countries concerned would be such that it would be in their mutual interests to promote the movement of goods, money, and people between them. It had become apparent that the assumption was no longer valid as between the United States and Czechoslovakia. The statement went on to outline the ways in which relations had been progressively impaired by manifestations of Czechoslovak ill-will toward the United States. The impairment of relations had been aggravated by the progressive integration of Czechoslovakia's economy into the Soviet bloc, and there was no longer room to doubt that Czechoslovakia's commitment to the United States was subordinated in the carrying out of its undertakings in the Soviet bloc. For text of the statement, see Department of State *Bulletin*, August 20, 1951, page 290.

On September 27 the GATT Contracting Parties voted 24 to 1 (with 4 abstentions) concurring in the American decision with regard to Czechoslovakia. President Truman thereupon notified the Department of Treasury on October 2 that all concessions with regard to imports from Czechoslovakia were suspended as of November 1. On October 25 the Czechoslovak Government announced its intention to increase tariffs on American goods on or after November 1.

For text of the Department of State statement to the press announcing and briefly explaining the President's action, see Department of State *Bulletin*, October 15, 1951, page 621; see also *ibid.*, November 19, 1951, page 830. Documentation on actions leading to the suspension of United States-Czechoslovak obligations under GATT is in file 394.41.

---

## No. 712

249.1111 Oatis, William/10-1151: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET PRIORITY WASHINGTON, October 20, 1951—2:09 p.m.

239. US has now put into effect almost every available measure in its serial course of action to exert increasing pressure on Czech

[1] Drafted by Vedeler (EUR/EE) but not otherwise cleared.

regime in effort obtain release Oatis. Still plan take up Oatis case in Third Comite GA mtg at Paris and as last resort Czech assets might be blocked in spite all problems associated with this step. Now that measures taken are evidently exerting their influence, press attn this issue has lessened, and freedom train incident, which has proved further irritant in US-Czech relations, liquidated, believe time arrived for US initiative with view to exploring possibilities of settlement Oatis case.

Amb Prochazka has failed get in touch with Dept since his mtg with Sec Aug 29. [2] His only move re Oatis case was press conference at Emb here Sept 25 [3] precise purpose which still unclear. While in our opinion Czech auths wld like extricate themselves from uncomfortable situation which they have gotten into, provided means can be found for avoiding appearance yielding to our pressure, they may themselves make no move for some time and we desire always assume initiative whenever occasion opportune.

US initiative now involves two chief problems, (1) nature of approach and (2) place of discussion considering *détente* along fol lines:

"It seems unfortunate to us, as it may also to Czech Govt, relations between two govts have reached so low an ebb. It wld be in our mutual interest for those relations to improve, and there is certainly no need for them to remain as they are. For our part we desire to see those relations improved and are willing to take steps toward this goal should same spirit animate Czech Govt. There are certain stumbling blocks but we think it possible remove them. We are therefore open to any suggestions which Czechs may have for improving present situation and they may be sure we will give their suggestions most careful attn with hope reaching favorable outcome."

This approach may be sufficient for opening move, but if circumstances warrant we might proceed further:

"One of stumbling blocks to better relations continued detention of Oatis and Hvasta. Let us agree not to discuss reasons for detention but confine ourselves to find way solve existing problems in view benefits accruing both countries from solution. In this connec-

---

[2] See the Secretary's memorandum of this meeting, Document 706. As is pointed out in Briggs, *Farewell to Foggy Bottom*, p. 107, Ambassador Procházka never returned to the Department of State after his visit of August 29. He left Washington in October to serve with the Czechslovak Delegation at the Sixth Session of the U.N. General Assembly in Paris.

[3] Procházka held a 2-hour press conference for American newsmen at the Czechoslovak Embassy on September 25. In the course of the conference, Procházka maintained that Oatis was not being held for ransom, but he did indicate that negotiations for Oatis' release could be held if American trade restrictions against Czechoslovakia were relaxed. (Department of State Wireless Bulletin, No. 234, September 25, 1951, p. 13)

tion we wld like to refer to possibility favorable development which Amb Briggs mentioned as Amb Prochazka was leaving Praha, namely, exchange Oatis for Czech natl imprisoned US Zone Ger or of broader possibility involving Oatis and other Amer natls such as Hvasta for Czech prisoners in our custody. We wld like pursue this suggestion again and ascertain whether Czech Govt responsive to this possibility favorable development which cld then lead to other steps (such as removal our economic pressures applied since imprisonment Oatis)."

Proposal for exchange prisoners seems only apparent means for us to advance as device save appearances for Czechs in release Oatis. However, appreciate it may encourage all Commie regimes to conclude they may in future obtain return one of their prisoners in our hands by arresting one our natls. Ur comments this point particularly desired.

Uncertain whether better make such move here or at Praha. Prochazka has clearly interested himself this problem and apparently enjoys confidence his govt. If, however, he should be called in for mtg at highest level, development wld be extensively publicized so that it might be more difficult for Czechs react favorably. If discussion initiated here by Asst Secy, Czechs might infer matter not of top importance to this govt. Dept, moreover, considers it preferable as gen rule for such business to be conducted with satellite govts by our missions abroad rather than here with their dipl representatives. On other hand difficulty of mtg Siroky on any responsive basis is recognized.

Before reaching any conclusion as to manner and place of taking this initiative wld appreciate ur views. [4]

Meanwhile in order not prejudice outcome such discussion believe it advisable defer projected note re access Oatis ur 298 Oct 11. [5]

ACHESON

---

[4] In telegram 325 from Praha, October 22, Briggs replied that an approach to Foreign Minister Siroky might reveal whether events had matured sufficiently to make an early settlement of Oatis' case possible. He added the following cautionary observation:

"Believe US handling this case has demonstrated that Amer citizen cannot be abandoned with impunity and consequently that exchange of prisoner for Oatis shld not encourage Commie regime use device arresting US citizen to obtain release prisoner in US jurisdiction." (249.1111-Oatis, William/10-2251)

[5] Not printed.

## No. 713

249.1111-Oatis, William/10-3151: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Acting Secretary of State* [1]

SECRET NIACT PRAHA, October 31, 1951—6 p.m.

363. Re Embtel 362, Oct 31. [2]

A. Will limit approach as suggested Deptels 255 and 257 Oct 30 [3] unless new instrs recd prior mtg.

B. Agree primary purpose mtg is initiate negots Oatis' release. But in order avoid loss time, initial discussion shld:

(1) Show Czechs practical basis for negotiation exists.

(2) Clearly present broad outline US attitude. Minimum effort achieve (1) may in my opinion require acceptance view set forth in Embtel 360, Oct 30. [4] It wld appear from Prochazka press statement Sept 25 [5] and subsequent discussion thereof Czech press, that there is little prospect Oatis' release unless US prepared revoke at least some of retaliatory measures that is, "remove pressure" (Embtel 273, Oct 2 [6]).

I accordingly propose inform Siroky at outset that US recognizes importance from Czech point of view of avoiding appearance acting under pressure, but that Czechoslovakia must recognize equally the importance from Amer point of view of avoiding appearance of "paying ransom or blackmail for Oatis". Insofar as appears commensurate with objectives (1) and (2), I wld seek avoid more detailed discussion of specific issues.

---

[1] Secretary of State Acheson was in Europe from late October until early December as head of the U.S. Delegation at the Sixth Session of the U.N. General Assembly at Paris beginning November 6 and later as head of the U.S. Delegation at the Eighth Session of the North Atlantic Council held at Rome, November 24–28.

[2] Telegram 362 reported that Ambassador Briggs had arranged to meet with Foreign Minister Široký on November 1. (249.1111-Oatis, William/10-3151)

[3] Department of State instructions to guide Briggs in his meeting with Široký were transmitted in telegrams 251, October 26, and 255 and 257, October 30, to Praha. Briggs was to raise with Široký the possibility, first mentioned in July by Ambassador Procházka, of exchanging Oatis for a Czechoslovak national imprisoned by American authorities in West Germany or even broader arrangement involving the exchange of several Americans for several Czechoslovak prisoners. Were Široký to raise the question of what other steps might follow such a prisoner exchange, Briggs was only to intimate further actions for the improvement of relations between the two countries. (249.1111-Oatis, William/10-2651 and 10-3051)

[4] In telegram 360, Briggs proposed that in view of Široký's imminent departure for the U.N. General Assembly session in Paris, it might be necessary to make maximum headway in the first negotiating session by being more specific in the intimation of withdrawal of American economic measures against Czechoslovakia following Oatis' release. (249.1111-Oatis, William/10-3051)

[5] See footnote 3, *supra*.

[6] Not printed.

C. As re general aspects negots, believe we wld make serious mistake if we approached problem in bargaining frame of mind. Either Czechoslovakia has reached point where Commie leaders believe it in their interest to release Oatis, or they have not. Bargaining or poker approach might encourage Czechs to try to broaden negots to include RFE, VOA or GATT and might tend create precisely situation with which Dept concerned in first para Deptel 257, Oct 30. [7] Contrary to bargaining we believe we shld be prepared to indicate at early date what US will and will not do to obtain Oatis' release.

D. Fol summarizes our understanding US position main issues which may arise during negotiation:

1. Measures US might take unilaterally:

(a) Renew processing Consular invoices. [8]

(b) Validation US passports for travel Czechoslovakia (possibly of little or no interest to Czechoslovakia).

(c) Cancel those US export restrictions applied to Czechoslovakia in retaliation Oatis' arrest (we understand this narrow fringe compared restrictions of gen applicability which are not susceptible removal).

2. Measure US cld take only in concert with other nations: CSA overflights West Ger.

3. Not open for discussion: Basic East-West trade policy, GATT, VOA and RFE and steel mill. [9]

Wld appreciate learning whether Emb's understanding these points is correct. [10]

BRIGGS

---

[7] Not printed, see footnote 3 above.

[8] See telegram 79 to Praha, Document 694.

[9] In 1947 Czechoslovakia placed an order in the United States for steel rolling mill equipment (estimated value $16 million). By 1948 delivery of the steel mill was precluded by the U.S. system of export controls. Telegram 282 to Praha, November 28, reported that despite the Department's efforts to preserve secrecy, the national metalworking weekly newspaper *Iron Age* contained a brief article suggesting that the steel mill might be used in trade for Oatis' freedom. The Department was seeking to answer inquiries from the press on the matter by maintaining that the disposition of the steel mill would be decided upon apart from the Oatis case. (249.1111-Oatis, William/11-2851)

[10] Telegram 259 to Praha, October 31, stated that Briggs' understanding of the main issues in the negotiations was generally correct. The Department was, however, concerned that any concrete offers to relax unilateral measures taken against Czechoslovakia might result in the United States being put initially in a poor bargaining position. The Department was therefore anxious to limit the first negotiation to the offer for the exchange of prisoners. (249.1111-Oatis, William/10-3151)

## No. 714

249.1111-Oatis, William/11-251: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Acting Secretary of State*

SECRET PRIORITY PRAHA, November 2, 1951—3 p.m.

368. By "reasonably satisfactory" (Embtel 366, Nov 1 [1]) I mean that mtg with FonMin Siroky yesterday probably represented essential first step in direction negot Oatis release. It established Czechoslovak interest in reaching settlement. It paved way for early further discussion. It failed produce any commitment or to encourage belief path ahead likely be short, smooth or easy.

Discussion maintained on my part within framework Deptel 259, Oct 31 [2] very prompt transmission of which by Dept much appreciated. I began with ref Prochazka talk with me last July re exchange of persons, [3] and Secy's interview with Prochazka on Aug 29. [4] I recalled that Secy had said no need for relations remain at present low point and that it wld be to mutual interest both countries improve them. In that connection I said US recognizes importance from point of view Czechoslovakia avoid appearance acting under pressure, but Min shld recognize equally important from US point of view avoid appearance "paying ransom for Oatis" (latter point referred to repeatedly throughout conversation). That being understood, I continued, my govt was interested learning Siroky's views concerning proposal to exchange persons.

FonMin's initial r ponse unpromising. He said in effect "Oh, so it is Oatis again. I had understood you wished talk about broad field of relations, on which basis appointment agreed to, notwithstanding treatment my Amb recd at White House [5] and on visit to Secy Acheson". He then launched into lengthy abusive propaganda piece: Czecho injured party rejects US attempts intervene domestic affairs, US violator principles international law, Oatis case only pretext for US measures hostile Czecho, etc. etc. to which I replied that unless FonMin willing proceed on assumption I already familiar with his govt's views and hence no need enlighten me with speeches that character I did not think we wld make much progress.

---

[1] Telegram 366 briefly reported that Briggs had a reasonably satisfactory meeting on November 1 with Foreign Minister Široký which might provide the basis for negotiations leading to the release of Oatis. (249.1111-Oatis, William/11-151)

[2] Not printed, but see footnote 10, *supra*.

[3] See despatch 17 from Praha, Document 691.

[4] See the Secretary's memorandum of conversation, Document 706.

[5] See footnote 3, Document 704.

If he persisted along that line, I said I in turn wld insist on answering his statements and also on restating my govt's views on arrest and imprisonment of Oatis as per my statements to him on that subject last July. However, I said I wld prefer to take for granted his understanding of Amer views and he shld take for granted my understanding of Czecho's position. Thereafter conversation went better, not greatly assisted, however, by Dilapidk and Marmoset with local CP button whose translating attentions convince me recent FonOff purge must have liquidated last competent interpreter.

Without attempting recapitulation of mtg lasting three hours 30 minutes, my main impressions are as fols:

(1) Siroky's denunciations and forensics probably shld be largely discounted. He may have been "making character" in order inform govt colleagues "I told Amer Amb where to head in", or quite likely conference room "wired for sound" and Siroky now has record his stout defense Commie bastions. Also likely this part of Commie technique seeking to goad, exasperate, wear down and wear out the opposition. Possibly of interest that Siroky omitted denunciations of Oatis as spy which has formed so large part previous conversations. Also Siroky's attitude when interview ended extremely affable.

(2) Idea that proposed exchange of persons, taken by itself, wld represent solution was rejected. Siroky declared that with all US publicity concerning measures taken against Czecho, release Oatis without removal measures wld constitute "yielding to pressure".

(3) There was lengthy argument whether, as Siroky insisted, Oatis was "merely pretext US actions hostile Czecho," or as I insisted "obstacle removal of which essential as first step toward improvement relations." We failed agree and I am not sure Commies may not in fact have convinced themselves, in their distorted dialectical way, that their interpretation is accurate. If so this may be of interest in connection further discussion of removal of measures.

(4) US measures fully as effective, and probably more effective, than we ourselves had previously believed. At one time or another during conversation Siroky mentioned and separately denounced every measure taken except prohibition US citizens coming Czecho, (which possibly of no interest to Czechs) and denial Ger travel permits to Czechs (which he may not connect with Oatis). He put special emphasis on "econ discrimination" particularly (a) obstacles preventing export Czecho products to US (i.e. consular invoices), (b) GATT measures and (c) CSA overflights. His purpose was, of course, to try to smoke out whether US willing make deal involving cancellation of measures.

(5) Belief Czecho perhaps more interested in solution than FonMin willing to admit likewise indicated by:

a. Ready assent to suggestion for further mtg, fol clarification to Emb by Washington of what US might do about removal of measures.

b. Fact that length of mtg resulted initiative Siroky who, had he not been seeking settlement cld readily have broken off discussion on several embittered occasions, and

c. Siroky's reply that rather than have next mtg with acting FonMin (in Siroky's absence UNGA Paris) it shld be arranged between him and me inasmuch as he wld probably shortly return from France or be commuting back and forth.

(6) In accordance with Dept's instrs I refrained from indicating what US might be prepared to do about removing measures. However, in effort avoid futile discussion problems on which we cld not agree, I did find it necessary declare we are not willing discuss VOA, RFE or GATT as any part Oatis negotiation.

Fol tel submits suggestions for Dept's consideration in drafting further instructions. [6]

BRIGGS

[6] In his telegram 369 from Praha, November 2, Briggs recommended that Široký be informed, at the next negotiating meeting, of the steps which the United States would take in connection with the release of Oatis. The steps mentioned by Briggs were generally those enumerated in paragraphs D, 1 and D, 2 of telegram 363 from Praha, *supra*.

## No. 715

249.1111-Oatis, William/11-251: Telegram

*The Acting Secretary of State to the Embassy in Czechoslovakia* [1]

SECRET WASHINGTON, November 5, 1951—7:40 p. m.

263. Commend skill and restraint with which you handled Siroky conversation. Concur first para urtel 368 [2] path not smooth or easy but consider you have prepared ground well. Fact Czechs now talking indicates change earlier attitude and probability desire settlement.

Believe very likely, however, that as communist negotiators, Czechs can be expected to avoid putting cards on table until absolutely necessary, and to spin out talks until they have built up record to show they have obtained best possible terms.

We should not therefore be too concrete in our initial offers, lest Czech commies interpret our readiness to settle as overeagerness reflecting weakness, an interpretation which might produce stiffening their position and consequently delay solution problems.

Suggest, therefore, in your next mtg with Siroky you:

[1] Drafted by Dillon and Barbour of EUR/EE and approved by Bonbright of EUR and Matthews.

[2] *Supra*.

1) Continue emphasize exchange prisoners.
2) Adding however that expulsion from country of Oatis and Hvasta would relieve pressure on Embassy to extent permitting resumption certification consular invoices.
3) Suggest also if Siroky seems interested that general invalidation US passports for Czecho will be rescinded (phrased thus to permit specific bans Amer commie travel there).
4) Stop there, and wait for Czech counterproposal.

We note your estimate (with which we agree) Czechs feeling pressure but with exception rejection exchange only, Czechs have not been forthcoming on their specific ideas as to terms.

We think that if pressure on them is correctly estimated another effort to elicit more concrete thinking their part might be fruitful and that in line therewith, we should not be abrupt in spelling out further US proposals such as overflights. Meanwhile also we wld postpone for time being consultation Fr-Brit on overflight possibilities.

In emphasizing prisoners we see no reason you cannot take line prisoner exchange directly reciprocal and mutual exchange individuals that basis could hardly be considered by anyone to involve pressure.

WEBB

---

## No. 716

249.1111-Oatis, William/11-2251: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Acting Secretary of State*

SECRET
PRIORITY

PRAHA, November 22, 1951—7 p. m.

410. Meeting today with FonMin Siroky on Oatis case registered substantial progress, including counterproposal on part Czecho, and there now finally seems reason hope for early settlement.

I began as directed Deptel 263, November 5 [1] by restating exchange of prisoners proposal, which I advocated as reciprocal arrangement meeting criteria of "no pressure on Czecho" and "no ransom by US" important to our respective govts. I added that once exchange effected, Emb could then resume handling Czech merchandise export documents thus restoring market previously

[1] *Supra.*

worth $2 million per month but now lost to Czecho because of Oatis detention. [2]

Siroky's attitude then and throughout meeting conciliatory and reasonable, with cork in bottle of Commie abuse and no histrionics. He replied "Czecho agrees case should be settled and also agrees to exchange basis, provided other matters we feel are items of discrimination against Czecho are taken care of". Did my ref to Czech export trade, he inquired, mean that all obstacles to such trade adopted since Oatis arrest would be removed? I said yes.

Min then brought up CSA overflights and GATT, declaring they also should be part of arrangement and that settlement should be contingent on return *status quo ante*-Oatis with respect those two matters also.

There followed rather lengthy argument in which I maintained that whereas obstacles to Czech exports to US were unilateral matter, which US Govt could and was willing as part Oatis settlement to revoke, both CSA and GATT were multilateral questions, in regard to which US unable to speak for other countries. Furthermore, I said GATT had nothing to do with Oatis (Siroky declared that it did and referred to a US memo to GATT organization which he said supported his view). To Min's suggestion that "Well, you persuaded them in the first place; therefore, you ought be able unpersuade them," I reiterated that US Govt unable speak on behalf other govts and that in any case (recalling that Siroky had looked distinctly unhappy at earlier ref to $2 million trade loss per month) such negots might require some time.

After further fencing about unilateral and multilateral Siroky finally dropped demand for CSA overflight and GATT solutions simultaneous with exchange of prisoners, provided US agrees as part of settlement to negotiate with Czecho immediately after settlement, seeking solution these two problems, and also provided new and additional unilateral point is included. This new unilateral point, obviously inserted in light discussion US ability handle unilateral matters expeditiously (and also in effort Siroky's part obtain maximum benefits), refers to "freeing Czech frozen assets" and specifically to steel mill, [3] in sense that mill ought either be shipped to Czecho or if not, then amount advanced by Czecho should be returned.

I counted new item by (1) indicating it has nothing to do with Oatis and (2) implying this issue might cause my govt raise issue of Czecho failure to settle nationalization claims, total value of which

---

[2] For the Ambassador's later version of the conversation on this point, see Briggs, *Farewell to Foggy Bottom*, p. 108.

[3] Regarding the steel mill under reference, see footnote 9, Document 713.

was probably greatly in excess value steel mill. I said I was not trying connect those two issues, but to point out that Min's suggestion for inclusion of matter extraneous Oatis might result in complications.

Siroky thereupon restated his views in form fol counterproposal which he requested I convey to Dept:

Czecho agrees to settlement Oatis case on basis exchange of group of US prisoners in Czecho for equal number Czech cits imprisoned in Ger, provided:

1. Simultaneously US discontinues measures preventing export of Czech merchandise to US, and
2. Simultaneously "as sign improved relations" US either releases Czech assets frozen in US, or else returns money advanced by Czecho (this point referring specifically to steel mill), and
3. It is agreed that fol exchange, US and Czecho will negotiate with a view to solution of questions of (a) CSA overflights and (b) GATT.

Dept will observe that during conversation with Fon Min there was no ref to (1) embargo on US exports or (2) permits for entry of Czechs into Ger, or (3) US prohibition on travel US cits to Czecho.

It was agreed that pending receipt Dept's observations on Siroky counterproposal, Emb and FonOff would begin preparation of exchange of prisoners lists, and I accordingly arranged for Counselor Thompson to meet with Lenhard, chief Amer Section for that purpose.

When I again brought up access to Oatis, FonMin said "Yes, you ought to have access to prisoner," but he then argued that "visit might result in leak" (Siroky apparently remains much concerned over danger premature publicity), and furthermore, "Oatis should not be told of release negots until their successful conclusion". Min requested I not press matter "because I hope you can soon go to him and say 'Mr. Oatis, you are free'." Considering our primary object is in fact release prisoner, and also considering improved atmosphere today's meeting, I accordingly did not persist.

Additional comments will be cabled tomorrow. [4]

BRIGGS

---

[4] In telegram 411 from Praha, November 23, Ambassador Briggs outlined a negotiating course for the next meeting with Široký. (249.1111-Oatis, William/11-2351) Telegram 276 to Praha, November 24, observed that Briggs' suggestions were substantially the same as those set forth in telegram 275 to Praha, *infra*. (249.1111-Oatis, William/11-2351).

## No. 717

249.1111-Oatis, William/11-2251: Telegram

*The Acting Secretary of State to the Embassy in Czechoslovakia* [1]

TOP SECRET
PRIORITY

WASHINGTON, November 24, 1951—1:51 p.m.

275. Gratified learn progress your second conversation with Siroky (Embtel 410 Nov 22 [2]) and pleased with your conduct discussion which provides rather definite evidence Czech regime desires settlement Oatis case. As we view counter proposal primary interest Czechs is apparently obtain withdrawal our measures prevent exports to US and Siroky may well have included point 2 on steel mill as maximum demand to get if he cld but not as essential element for release Oatis. Siroky's dropping demand solution CSA question simultaneous with exchange prisoners seems to us significant move forward and indication Czechs actually wish dispose case. Recognize of course steel mill and GATT questions may cause difficulty. View these considerations suggest fol counter proposal in addition to exchange prisoners as indicated:

1. Discontinuance at time exchange measures involving consular invoice procedure which prevents bulk Czech exports US (FYI this wld not include relaxation other restrictive steps connection with anti-dumping investigations).
2. Fol exchange US wld negotiate with view to resumption CSA overflights on basis *status quo ante* (FYI not including permission on annual basis or authorization Frankfort-Zurich flights), keeping in mind that this matter also involves Fr and Brit.
3. As to Siroky's point 2, it must be made clear no Czech assets have been frozen in US although not possible since Mar 1948 to export strategic items such as steel mill from US to any EE country. No possible way therefore to authorize mill shipment to Czech. Question steel mill unrelated to Oatis case but if Czechs wish to consider this as aspect of a broad settlement of finan claims between two countries, US wld agree discuss after exchange disposition proceeds from any sale steel mill in relation to problem compensation US claimants for natlized property. Such broad settlement fol solution Oatis case wld make a solid contribution to improvement in relations between two countries. [3]
4. US believes problems concerning GATT and termination obligations between US and Czech under GATT cannot be settled at this time. US position on this issue taken for host of reasons of

---

[1] Drafted by Vedeler (EUR/EE) and approved by Barbour (EUR/EE), Bonbright (EUR), and Matthews (G).

[2] *Supra.*

[3] Supplementary instructions on this point were transmitted to Praha in telegrams 276, November 24, and 278, November 26. (249.1111-Oatis, William/11-2351 and 11-2651)

which treatment of Amer natls in Czech only one. US required moreover under Trade Agreements Extension Act 1951 to suspend concessions made in trade agreements with EE countries including Czech.

While appreciate Czechs have denied three Fields [4] in Czech and we wld not want insist inclusion to extent jeopardize other cases, hope you may also include them in preparing US list prisoners for exchange even if we ultimately have to withdraw them.

Comments fol on urtel 411 Nov 23 [5] recd subsequent drafting above.

WEBB

[4] U.S. citizens Noel, Herta, and Hermann Field disappeared in Eastern Europe in 1949.

[5] See footnote 4, *supra*.

## No. 718

749.00/12-651: Despatch

*The Ambassador in Czechoslovakia (Briggs) to the Department of State*

CONFIDENTIAL PRAHA, December 6, 1951.

No. 178

Subject: Arrest of Rudolf Slansky, Former Secretary General of the Czechoslovak Communist Party.

Events leading to the arrest of Rudolf Slansky on November 27, 1951 [1] had their roots in the serious conflict which arose from the duality of authority between the real head of the Party, Slansky, and the head of the Government, Gottwald, who, although party chairman, permitted Slansky for the most part to direct and control Czech CP activities. The importance of this divergence of authority was brought into sharp focus as a result of the political and economic crisis which occurred in the twelve months period beginning September 1950.

At that time, the Prime Minister in a speech to the miners announced that henceforth bonuses would only be paid to the extent that management and workers saved an equal amount of money by increasing individual productivity. This statement signaled the end of the honeymoon for Czech workers. In November a Five Year Trade Agreement was signed with Russia substantially increasing

[1] The Czechoslovak Government announced on November 27 that former Czechoslovak Communist Party Secretary General Slansky had been arrested on charges of participating in anti-State activities.

Czech exports and necessitating the introduction of a super-plan to replace the last three years of the Czech Five Year Plan. A revaluation of norms followed shortly thereafter, and for the year 1951 individual work targets were raised considerably above previous levels. By spreading the application of the wage fund system to all important and critical sections of industry, wages tended to be frozen or even reduced if workers could not meet the raised targets.

In June the worker's problem in maintaining his 1950 standard of living became more difficult as shortages in meat, dairy products and even summer fruits and vegetables appeared. Bread rationing had already been re-instituted when the Soviet Union temporarily halted grain shipments to Czechoslovakia as a penalty for the failure of the Czech Government to deliver goods as scheduled in the trade agreement. By mid-summer serious and widespread dissatisfaction was evident among wide masses of the workers including party members. At the same time, the nation was falling further behind in its economic program. In an effort to force workers to increase individual output, rations were reduced and the prices of free market goods, which could only be purchased by workers who received a bonus for exceeding the plan, were raised. To meet the acute problem of a manpower shortage, 77,500 office workers were drafted for industry. The net effect of all of these measures was to lower the standard of living of many workers.

Dissatisfaction within the party was fostered by two developments. Firstly, higher officials became uneasy as a result of the purges which Slansky carried through after the Sling-Svermova plot to capture the party was exposed and after the arrest of Clementis. [2] Secondly, as stated above, the rank and file party members were disillusioned by the deliberate policy of the government to trap them between higher norms and higher prices of free market foodstuffs which were essential for families who wished to live better than on a bare subsistence level.

The most important manifestation of growing discontent was found in the unwillingness of workers to cooperate in the government's effort to increase individual productivity. Absenteeism in the mines rose at an alarming rate after the September 1950 bonuses were paid and continued to be a serious problem throughout the following year. In other important sectors of production the government faced a similar problem. Volunteer industrial workers left their posts as rapidly as new workers were engaged. Shock-workers maintaining a high level of output risked being ostracized, or worse, by their fellow-workers. Apathy to party discipline, to po-

[2] See telegram 546 from Praha, Document 668.

litical indoctrination courses, to attendance at compulsory party meetings, etc. was indicative of the deterioration of party morale.

Against this background of (1) Soviet dissatisfaction over Czecho's failure to deliver heavy industrial products as provided for in the trade agreement, (2) a sharp decline in the morale of party members and (3) widespread and increasingly evident discontent among the workers, the division of authority between Slansky and Gottwald became an acute issue. As Secretary General of the Communist Party, Slansky bore the major responsibility for the decline in party morale and shared the responsibility for the poor production record. Apparently, the Moscow time table for Czechoslovakia placed major, in fact overriding, emphasis on the economic program.

By the summer of 1951 Slansky had ceased to be an indispensable man. Gottwald had taken advantage of the purge to place his own men in many key positions in the party hierarchy. The September 1951 reorganization of the government [3] saw the old-guard led by Slansky, replaced by a new group which appeared to be better qualified to develop a program for Czechoslovakia based on the premise that increased production and increased deliveries to the Soviet Union were the most important tasks of the Czech CP and Government. In the new set-up there was no place for the former party Secretary General. He had antagonized the rank and file of the party membership by his autocratic control of party matters. He was discredited by the Sling-Svermova exposé and, as one of the most unpopular men in the party was a target for the criticism of the many dissatisfied workers. (In this criticism there may have been an element of anti-semitism.) He had shown no marked success in the program to expand the socialist development of rural areas despite the fact he had personally directed much of the rural planning. With respect to CP cadre policy, which he controlled through Kohler and personal intervention, he had blocked the appointment of many technically capable men to important positions in all ministries, including those charged with the fulfillment of the economic plan. Most significantly, the importance of his role as the voice of the Kremlin diminished sharply when the Soviets began sending their own nationals to Czecho as supervisors and consultants.

---

[3] On September 6 the Czechoslovak Communist Party Central Committee announced a reorganization of the party apparatus including the abolishment of the post of party Secretary General and the transfer of the functions of that official (Slansky) to Party Chairman Gottwald. Soon thereafter a Czechoslovak Government reorganization was announced. Slansky, who had not until then held any government post, was named Deputy Prime Minister.

There are thus a number of convincing reasons to believe that Slansky was removed for incompetence and because of his personal unpopularity. [4] A brilliant man, well versed in all of the bloody intrigue of Communist Party politics, he also was probably too dangerous to the new regime in general and President Gottwald in particular to permit him to retain his freedom. His arrest is no loss to the party or to the Kremlin. Both the opposition and the majority of the party members are pleased with the action taken against him. Czechoslovakia's loyalty to Moscow is in no way affected. On the other hand, the Embassy sees no reason to anticipate any significantly important results favorable to the Soviet Union as a consequence of his arrest. Gottwald is now undisputed leader but at the same time his responsibility for future failures is also clearly established.

There is transmitted herewith a translation of a *Neue Zurcher Zeitung* article on this subject. [5] The article attributes Slansky's downfall to (1) the unsatisfactory record in the coal mines (2) tension in the Army (3) Moscow's consideration for Czech sensitiveness on the issue of Jews occupying a disproportionate number of prominent positions and (4) Moscow's preference for less clever men who can be relied upon more than Slansky.

With respect to point (4) above, the Embassy believes there is ample evidence to prove that Slansky has always been a loyal servant of the Kremlin.

For the Ambassador:
ALEXANDER SCHNEE
*First Secretary of Embassy*

---

[4] Joint Weeka 48, November 30, prepared by State, Army, and Air elements of the Embassy in Praha, commented upon Slansky's arrest as follows:

"Emb inclined to maintain view action against Slansky initiated in Czechoslovakia and that Soviet approval was based on incompetent manner in which he has led party support, and on deterioration economic position to point where active expression disapproval by workers steadily increasing." (749.00(W)/11-3051)

[5] Dated November 29, not printed here.

## No. 719

749.00/12-751: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Acting Secretary of State* [1]

SECRET PRAHA, December 7, 1951—6 p.m.

445. At Central Comite Mtg Dec 6 attended by all top flight officials Czech CP, Gottwald accused Slansky of having played leading role in plot hostile to Party and State and added there was irrefutable evidence Western "espionage agents" had made preparations for his escape to West. Slansky and Jarmila Taussigova (perhaps his private sec'y) thereupon expelled from Party (see Emb desp 178 December 6 [2]).

No further ref made to "plot" referred above, but President may have meant Sling's plan to capture Party control. While Slansky can properly be blamed for lack vigilance in permitting Sling plot reach advanced state, Emb has no evidence linking Slansky therewith. To contrary, we have been inclined believe Slansky wld have been first victim had Sling been successful. Embassy also doubts Slansky had Titoist aspirations, or in any other way was disloyal to Kremlin.

In our view Gottwald has taken opportunity re-establish his auth and was able receive Kremlin support by pointing up Slansky's record and latter's share responsibility for econ failures. We find some logic in speculation that Gottwald has placed his own position in serious danger by centering auth and responsibility his own hands. As Sov exploitation of Czecho increases and internal dissatisfaction spreads pressure for more independent course action may increase. Kremlin may then prefer have Czech CP and Govt led by someone with less auth and ability. In that case, Gottwald wld be obvious scapegoat for failures which almost certain given present rate Sov exploitation.

BRIGGS

---

[1] Repeated to Vienna, Frankfurt, and Moscow.

[2] *Supra.*

## No. 720

249.1111-Oatis, William/12-851: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Acting Secretary of State*

TOP SECRET PRIORITY PRAHA, December 8, 1951—1 p.m.

447. Only limited progress registered on Oatis case with Foreign Minister. Last evening at further long meeting much of which devoted by Siroky to efforts include steel mill (with implications otherwise Czechoslovakia uninterested settlement) and by me to replying that there is no prospect whatever our agreeing include this item. GATT also mentioned but with less emphasis. No ultimatums and meeting may have represented necessary step toward convincing Czechs that by no ransom, we mean no ransom.

Regarding steel mill argument, I gather Czechoslovak Govt and perhaps also Kremlin may have directed Siroky make all-out effort collect dollars advanced if unable obtain delivery mill, and to try to create impression "no mill, no Oatis." I answered US recognizes importance steel mill matter to Czechoslovakia but not its relevance to Oatis case. As to Oatis settlement I said I was prepared discuss mill as item of interest to Czechoslovakia in outstanding financial problems, and Czechoslovakia would recognize that at that time US would, of course, be at liberty to include as of interest to US in such negotiations, financial claims against Czechoslovakia amounting to very much more than Czechoslovakia's steel mill advances. But all that, I reiterated, was unrelated Oatis discussions and continued injection thereof would only delay matters.

Mill item was finally shelved, rather than dropped, and we may hear more of it. Same with GATT in regard to which I likewise held out no hope of our agreeing.

Siroky finally turned to other terms proposed settlement and suggested these be reduced to writing in order facilitate further study "and possible counterproposals by Czechoslovakia." US proposal accordingly left with him in form unsigned draft letter and press release (texts in following telegram [1]) and Siroky said he would arrange further talk with me after studying situation light our conversation.

I also referred to desirability going forward with lists of persons proposed for exchange. [2]

---

[1] Telegram 448 from Praha, December 8, not printed. (249.1111-Oatis, William/12-851)

[2] Telegram 418 from Praha, November 27, reported that on the previous day Embassy Counselor Thompson had discussed a possible exchange of prisoners with

*Continued*

Notwithstanding frank and at times somewhat vehement give and take, atmosphere last night's meeting friendly throughout.

Without wishing confuse situation by unprofitable speculation, my guess is that after further haggling perhaps protracted Czechoslovakia may abandon steel mill and GATT, possibly making, however, some further demand of which most likely would in that case probably be "simultaneous restoration CSA flights" instead of discussing same after proposed exchange of persons.

BRIGGS

---

Czechoslovak Foreign Ministry official Linhart. Thompson presented the list of Americans proposed for exchange, but Linhart had no such list of Czechoslovak prisoners, and indicated that Czechoslovak authorities had not prepared such a list and assumed the United States would furnish one. (249.1111-Oatis, William/11-2751) In telegram 460 from Praha, December 12, Briggs reported that during his conversation with Široký on December 7, the Foreign Minister showed no interest in proceeding with the lists of prisoners for a possible exchange. The following day Linhart told Thompson that the matter of prisoners lists was in Široký's hands. (249.1111-Oatis, William/12-1251)

---

## No. 721

249.1111-Oatis, William/12-1551: Telegram

*The Secretary of State to the Embassy in Czechoslovakia* [1]

TOP SECRET
PRIORITY

WASHINGTON, December 15, 1951—2:15 p.m.

304. Serious question arises as to Czech motives view measures Czech Gov has taken past few days. Czech auths have (1) issued orders all American banks holding Czech accounts, except Federal Reserve, transfer Czech funds to Union Bank Switz, notorious for undercover dealings; (2) requested Chase National remit immediately by cashier's check all collections their account to Czech State Bank; (3) made efforts, in contrast previous reluctance, dispose of machinery and equipment purchased US but subject export controls (i.e. sold firm Charles A. Koons, NY, Dec 13 machinery for $184,800).

In light foregoing we are taking another look at Siroky's willingness discuss settlement Oatis case and wonder whether his attitude in your current conversations may not be intended to beguile this gov to keep it from taking further retaliatory steps while Czech assets here liquidated rapidly and completely as possible. Oatis' release might not then be forthcoming and Czechs would stall in

---

[1] Drafted by Vedeler (EUR/EE) but not otherwise cleared.

order obtain maximum advantage from US in short time by way transfer funds or otherwise.

In these circumstances we cld (1) take no moves against Czechs in hope current conversations with Siroky will lead speedy release Oatis or (2) block all Czech assets here. If Oatis subsequently released, funds cld be unblocked and while this would doubtless give rise to a charge of ransom for Oatis this cld reasonably be countered by making clear funds not blocked prior Oatis case and unblocking merely revisica *status quo ante*. Or upon release Oatis it might be possible unblock all funds except portion to be held pending settlement financial claims.

Believe blocking action against Czecho wld involve fol difficulties: (1) prejudice, and possibly torpedo, current discussions on Oatis case, if FonOff on the level; (2) pose problem whether not desirable block assets all EE countries same time lest flight assets other Commie countries from US occur; (3) limit US freedom action control blocked assets Czechs as leverage or offset in efforts settle our financial claims since if we block now Czech Gov will probably insist on unblocking all its assets for freedom Oatis or hold us obligated not block their assets in future; (4) institute a far-reaching measure when Czech motives not certain, it being possible Czechs trying in midst severe dollar scarcity mobilize dollar resources Europe for purchase greatly needed raw materials and equipment outside Western export controls.

Wld appreciate urgently your estimate and views. [2]

ACHESON

---

[2] In telegram 476 from Praha, December 17, Briggs recommended that "we stall on permitting movement funds from our jurisdiction in order give ourselves time for further study". (249.1111-Oatis, William/12-1751) In his telegram 482 from Praha, December 18, Briggs observed that there was not necessarily great significance in Czechoslovak desire to repatriate U.S. dollar holdings in view of Czechoslovak hard currency shortage, and he suggested that the Oatis negotiations were being delayed for a variety of reasons outside the Oatis case itself. (249.1111-Oatis, William/12-1851)

## No. 722

249.1111-Oatis, William/12-2451: Telegram

*The Ambassador in Czechoslovakia (Briggs) to the Secretary of State*

TOP SECRET
PRIORITY

PRAHA, December 24, 1951—11 a.m.

494. Info contained Deptel 315, December 21, [1] supports belief that from Czech point of view two dominant aspects Czech US econ relations may be (1) prospects of earning dols by exports to US (after Oatis release) and (2) disposition of steel mill or funds from sale thereof. If this estimate correct, we doubt whether sufficient advantage wld be gained from general blocking all Czech assets to offset disadvantages. There remains, however, important problem of steel mill.

Emb notes that since transmission our 460, December 12, [2] Czechs themselves have rocked boat (so to speak) by completing payment on mill. They have also achieved more flexible position at time perhaps least advantageous to us in light Oatis discussions. But, despite possible impact thereon, Emb continues hold view that steel mill or proceeds sale thereof shld be held by US until such time as we can effect settlement of nationalization claims against Czechoslovakia. Conversely, we should regard it as at least unreasonable for us to let Czechoslovakia withdraw millions of dols representing proceeds mill, because of implied threat of further stall on Oatis if US undertakes defend interests Amer creditors.

Reftel indicates alternatives are (1) requisitions by NPA auth or (2) specific blocking action by Treasury. First seems more desirable to Emb as it can be represented as based on natl security interest and furthermore analogous to nationalization (that is confiscation) of US property in Czechoslovakia for which no compensation paid. Blocking action by US Treasury on other hand might be more suggestive of retaliation, might increase Czech fears general blocking

[1] Telegram 315 provided a summary of the impact of blocking Czechoslovak assets in the United States and estimated that Czechoslovakia had or could gain $5–6 million from the conversion of bank balances, forced sale of stranded equipment in the United States (not including the steel mill), and dollar returns on exports not requiring consular invoices. The Department of State was greatly concerned at the possibility of the sale of the steel mill, final payment for which had been reliably reported, and was seeking means to have the mill requisitioned by the National Production Authority (NPA) or otherwise to have sale of the mill blocked. (249.1111-Oatis, William/12-1551)

[2] This telegram in part responded to a suggestion by the Department of State that the National Production Authority take steps to requisition and dispose of the steel mill bought by Czechoslovakia. Briggs took the position that it was "unpropitious moment to rock boat" by such action which might cause Czechoslovaks to break off Oatis negotiations. (249.1111-Oatis, William/12-1551)

will follow soon, and might lead them believe no longer real prospect of earning dols for current account through trade with US if Czechs reached that conclusion our efforts re Oatis might receive severe setback.

Emb therefore recommends (1) immed requisitions steel mill; (2) that Dept send Czech Emb note informing it of action taken and stating US Govt is prepared to undertake discussion of its citizenship claims against Czechoslovakia along with release of Czech assets representing value steel mill; and (3) that Dept inform Czechs orally that although US prepared undertake such discussions, it will not relate them to Oatis case.

Shld things develop as outlined above, Czechs might, of course, refuse go forward with Oatis discussions. Distressing though that wld be, I believe that in terms basic and long-range US interests, it is preferable to take this risk than to pay blackmail or permit Czechoslovakia transfer value steel mill which represents their principal assets in US and our most important leverage in negotiating settlement US financial claims.

BRIGGS

# HUNGARY

## CONTINUED HOSTILE BEHAVIOR OF THE HUNGARIAN GOVERNMENT TOWARD THE UNITED STATES; THE RELEASE FROM HUNGARIAN IMPRISONMENT OF ROBERT A. VOGELER [1]

## No. 723

264.1111-Vogeler, Robert A./1-2451

*Memorandum of Conversation, by Robert M. McKisson, Office of Eastern European Affairs*

SECRET [WASHINGTON,] January 24, 1951.

Subject: Vogeler Case.

Participants: Mr. Jacob K. Javits, House of Representatives;
Mr. Kiefer, GEA;
Mr. McKisson, EE.

Mr. Kiefer and Mr. McKisson called on Mr. Javits this afternoon at his request to discuss Hungarian restitution. Mr. Javits explained at the outset that his interest in this subject stemmed entirely from its possible conection with the Vogeler case. He agreed that the matters to be discussed would be held in strictest confidence since they would necessarily involve reference to classified information and since unauthorized publicity at this time might further prejudice Mr. Vogeler's situation.

Mr. Javits inquired specifically whether looted Hungarian property in the US Zone of Germany available for restitution to Hungary was of such value that the US Government, by continuing to withhold restitution, could exert effective pressure on the Hungarian authorities to release Mr. Vogeler. In reply, Mr. Kiefer and Mr. McKisson briefly outlined the status of Hungarian restitution and expressed the view that restitution was not an effective means of bargaining in the Vogeler case, as the property in question was valued at less than $100,000. At Mr. Javits' request, Mr. McKisson then reviewed the principal developments in the Vogeler case, including the abortive agreement of June 16 [2] and the subsequent

[1] For previous documentation on Hungary, see *Foreign Relations*, 1950, vol. IV, pp. 980 ff.

[2] Copies of the Legation in Hungary's notes 143 and 144 and four Legation *aides-mémoire* incorporating the views and language authorized by the Department of *Continued*

stalemate which has been reached in the negotiations concerning Mr. Vogeler because of the new demands brought forward by the Hungarian Government as added conditions for his release.

Mr. Javits further inquired as to the feasibility of applying economic pressure against Hungary and referred in particular to such measures as the embargoing of trade and seizure of Hungarian assets here. It was pointed out to him in this regard that pre-war Hungarian assets in the US were already blocked and that Hungarian assets accumulated here since the end of the war were not large. The difficulties inherent in any proposal for embargoing trade with Hungary, such as the relative ineffectiveness of any ban on US or Hungarian trade alone and the certain reluctance of western European countries to join in exerting economic pressure against Hungary where their own interests or nationals were not directly involved, were also called to Mr. Javits' attention and discussed briefly. It was also pointed out to Mr. Javits that any steps to institute an effective trade embargo against Hungary at this time would undoubtedly be construed as an overt act of economic warfare and would give rise to broad policy issues affecting East-West political and economic relations and the West German economy in particular.

Mr. Javits asked whether the Department planned to submit the Vogeler case to the UN. Mr. McKisson replied that the Department did not contemplate raising this case as a separate item in the UN but considered it as coming within the scope of the general case relating to the suppression of human rights and freedoms in Hungary, Bulgaria, and Rumania, which has already been considered by the UN General Assembly at its last three sessions. In this connection, Mr. Javits' attention was called to the resolution adopted by the General Assembly on November 3, 1950, [3] which invites members of the UN, and particularly those members which are signatories to the Peace Treaties, to submit to the Secretary-General all evidence they may have regarding the violation of human rights and freedoms in the three satellite countries. Mr. Javits was informed that the Department was assembling and would submit in due course appropriate evidence in this regard and that the evi-

---

State regarding restitution, the reopening of Hungarian Consulates, and the resumption of travel by private American citizens in Hungary, all of which were delivered to the Hungarian Foreign Ministry on May 26, 1950, were transmitted to the Department as enclosures to despatch 549 from Budapest, May 26, 1950. These notes and *aides-mémoire* constituted the elements of the abortive agreement of June 1950 with Hungarian authorities on the proposed release of Vogeler from prison. These documents are not printed, but see *Foreign Relations*, 1950, vol. IV, pp. 1007 ff.

[3] For text of the resolution under reference (U.N. doc. A/1486), see Department of State *Bulletin*, November 27, 1950, p. 872 or *American Foreign Policy: Basic Documents, 1950–1955*, vol. II, pp. 2080–2081.

dence in the Vogeler case was also being prepared for possible submission at an opportune time. The point was stressed, however, that any publicity on this score or on current negotiations in the Vogeler case could only hamper and perhaps nullify continuing US efforts to obtain Mr. Vogeler's release. In these circumstances, it was the Department's present intention to defer the submission of evidence on the Vogeler case until such time as Mr. Vogeler's release might be effected or such action would be least likely to prejudice his chances of release.

Mr. Javits agreed that publicity would probably be harmful and render further negotiations extremely difficult if not impossible, but inquired whether any real prospect remained of getting Mr. Vogeler out. Mr. McKisson replied that, while the immediate outlook for effecting Mr. Vogeler's release did not appear very bright, the Department had in no way given up hope in the matter and would continue negotiations to that end as long as there was any reasonable basis and possibility of agreement with the Hungarian Government in the matter.

Mr. Javits expressed his appreciation for the opportunity of having a frank, off-the-record discussion of this case. Mr. Kiefer and Mr. McKisson expressed themselves similarly.

---

## No. 724

601.6411/1-2651

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Secretary of State* [1]

SECRET WASHINGTON, January 26, 1951.

Subject: Proposed restrictions on the travel of Hungarian Legation personnel in the US

*Discussion:*

The Hungarian Government has imposed restrictions, effective January 22, on the travel of all foreign diplomatic personnel in Budapest, except by permit, beyond an area bounded by a perimeter 35 kilometers (18 miles) from the center of Budapest. [2] In accordance with the policy recently approved by the Intelligence Advisory

---

[1] Drafted by McKisson (EUR/EE) and apparently concurred in by Higgs and Campbell (EUR/EE). Approved by Secretary Acheson.

[2] The U.S. Legation was informed of the restrictions imposed upon the travel of all foreign diplomatic personnel in Budapest in a Hungarian Foreign Ministry note of January 19, the translated text of which was transmitted to the Department of State in telegram 346, from Budapest, January 19. (601.6411/1-2051)

Committee (Tab A [3]) we propose to institute immediately equivalent restrictions on the movement of Hungarian Legation personnel here. Similar counter restrictions have been in effect against the Rumanian Legation since May 1950. [4] We have informed the British and French of our proposed action and have received indications that they will probably take similar steps against Hungarian official personnel in London and Paris. [5]

*Recommendation:*

That you approve the attached note (Tab B) to the Hungarian Legation and its release to the press after delivery. [6]

*Concurrences:*

EUR, L, CON, R, S/S–PR, and the Department of Defense concur in our proposed action. Our Embassies in London, Paris, and Moscow and our Legation in Budapest also concur.

---

[3] Tab A was a copy of circular airgram of December 14, 1950, on "U.S. Policy Toward Soviet and Satellite Representatives in the U.S." For text, see *Foreign Relations*, 1950, vol. IV, p. 60.

[4] For documentation on the counterrestrictions against the Romanian Legation, see *ibid.*, pp. 1063 ff.

[5] Documentation on the exchanges with the British and the French is in file 601.6411.

[6] The note included as Tab B to this memorandum was delivered to the Hungarian Minister in Washington on January 29. It informed the Minister that effective immediately, members of the Hungarian diplomatic mission in the United States, Hungarian employees of the mission, and dependents of those persons, were prohibited from staying or traveling beyond an area bounded by a perimeter fixed at 18 miles from the White House, without special permission. For text of the note together with a brief explanatory statement by the Department of State, both of which were released to the press on January 29, see Department of State *Bulletin*, February 12, 1951, pp. 261–262.

---

## No. 725

601.6411/2-551: Telegram

*The Chargé in Hungary (Sherer) to the Secretary of State* [1]

CONFIDENTIAL BUDAPEST, February 5, 1951—6 p.m.

377. Full text note omitting opening closing paragraphs just received from Foreign Office follows:

"1. The American Government's measures subjecting to limitations the members of Hungarian diplomatic mission in the United States, its employees as well as dependents of these persons,—is of

---

[1] Repeated to Paris, London, and Moscow.

retaliatory character. [2] Application of retaliation by US Government in connection with Hungarian Government's recent arrangements as to members of all diplomatic missions in Budapest, lacks however all legal foundation. The step taken by Hungarian Government regarding diplomatic missions in Hungary, wholly respects the principle of equal treatment and does not imply any prejudicial discrimination concerning American Legation. At same time Government US has taken highly discriminative measures against Hungarian diplomatic mission in America.

"2. American Government's above-mentioned step cannot be compared with Hungarian regulation on account of very fact that while this regulation does not affect normal functioning of American Legation in Budapest, American Government, by its arrangement, renders the functioning of Hungarian Legation in Washington highly illusory. It must be pointed out namely that the area within which free movement without permission is assured to persons pertaining to diplomatic missions in Budapest, includes a considerable part of territory and population of Hungary and the political, economic, social and cultural center of country. At same time US Government intends limit persons pertaining to Hungarian Legation Washington to an area including only a negligible proportion of country's territory or population situated far from its commercial and cultural centers and especially from New York where the main organizations of the UN are established. Hungarian Ministry Foreign Affairs wishes to stress especially the fact that overwhelming part of persons of Hungarian origin or mother tongue living in US in very large number are residing outside perimeter foreseen by American arrangement in question.

"All that has been exposed above makes it plain that enforcement of above-mentioned regulation actually does not aim at achieving reciprocity but rather at rendering impossible normal diplomatic functioning of Hungarian Legation in America. On other hand this measure is nothing but the continuation of unlawful steps by which, as for instance by the closing of Hungarian Consulates, US Government even heretofore considerably paralyzed the functioning of Hungarian diplomatic mission.

"On grounds of foregoing Hungarian Ministry Foreign Affairs, on behalf its government, energetically protests against US Government's unlawful measure bearing retaliatory and discriminative character. The Hungarian Ministry Foreign Affairs, by declaring unlawful and repudiating as whole the American measure in question, wishes to point out at same time that, taking into consideration circumstances exposed in paragraph 2 of present note, it refutes beforehand a parallel being drawn between the application of American restrictive measure and that of Hungarian regulation issued in connection with diplomatic missions in Budapest,—as referred to in State Department's above-mentioned note.

---

[2] Regarding the restrictions under reference here, see Bonbright's memorandum to the Secretary of State, *supra*.

"The Hungarian Ministry Foreign Affairs asks the honourable Legation to bring circumstances exposed in present note to attention of Government of US".

SHERER

---

## No. 726

264.1111-Vogeler, Robert A./2-2151: Telegram

*The Minister in Austria (Donnelly) to the Secretary of State* [1]

SECRET VIENNA, February 21, 1951—6 p.m.

1814. Re Deptel 1642, February 20. [2] I met today with General Sviridov. [3] He pretended he had never heard of Vogeler case. I described situation of Vogeler family in Vienna and said I was appealing to him on humanitarian grounds to see what could be done for release of Vogeler and for safe return to his family in Vienna.

Sviridov was very uncomfortable during meeting, especially when I described plight of Vogeler's wife and two children. He said it was very difficult and embarrassing for him because it involved another country and he could not interfere "directly" in the affairs of that country. I expressed opinion that as commanding general of Soviet troops in Hungary and in view of high prestige with which he is held in that country his cooperation would prove most effective in obtaining early release of Vogeler. Sviridov said "I know nothing about the case and I will have to consult my legal advisers". He added "maybe we can find some way to do something about it".

DONNELLY

---

[1] Repeated to Budapest and Moscow.

[2] In telegram 1792 from Vienna, February 19, Donnelly reported that contacts with Soviet officials in Vienna left the impression that they were going out of their way to demonstrate courteous and correct relations with the other occupying powers. Donnelly recommended taking advantage of the new Soviet attitude to ask General Sviridov whether on humanitarian grounds he felt there was anything that could be done to expedite the release from prison of Robert Vogeler. (963.61/2-1951) Telegram 1642 to Vienna, February 20, indicated that the Department of State had no objection to such an oral query. (264.1111-Vogeler, Robert A./2-2051)

[3] Donnelly and Sviridov met following the February 21 meeting of the Allied Council for Austria. A memorandum of conversation on the meeting was transmitted to the Department as an enclosure to despatch 861, from Vienna, February 20. (264.1111-Vogeler, Robert A./2-2051)

## No. 727

611.6411/2-551: Telegram

*The Acting Secretary of State to the Legation in Hungary* [1]

CONFIDENTIAL WASHINGTON, March 12, 1951—2 p.m.

241. Believe detailed refutation Hung arguments re travel restrictions (urtel 377 [2] and urdes 558 Feb 5 [3]) wld serve no useful purpose this time and might tend dull impact our countermeasures, which appear to have made impression on Hungs. Leg accordingly requested reply briefly Hung FonOff protest Feb 5 as fols:

*Begin* The Leg of the US of Amer refers to the note of the Hung Ministry for FonAff, dated Feb 5, 1951, concerning restrictions on the travel of members of the Hung Dipl Mission in the US and, upon instrs from its Govt, informs the Ministry for FonAff as fols:

The Govt of the US regards the contentions put forward in the Hung Govt's protest as specious and wholly unacceptable. Moreover, the US Govt emphatically rejects the view expressed in the note of the Ministry for FonAff that the Hung Leg in Washington, irrespective of the restrictions placed by the Hung Govt upon the US Leg in Budapest, is entitled to treatment as favorable as that accorded to Dipl Missions in the US of other fon govts which have not restricted the travel of US dipl personnel.

It is clear beyond any doubt, as evidenced by comments which have appeared in the officially-controlled Hung press, that the travel restrictions imposed by the Hung Govt on members of fon Dipl Missions in Budapest are in reality aimed exclusively at obstructing the movement of reps of the US and of certain other govts in Hung. It is also pertinent to note that several govts having relations with Hung have taken cognizance of this situation and, like the US Govt, have found it appropriate to institute corresponding restrictions on the movement of Hung personnel in their respective territories.

In the circumstances set forth above, it is the position of the Govt of the US that the removal of existing restrictions on the travel of Hung Leg personnel in the US cannot be considered until the restrictions now in effect in Hung upon movements of US Leg personnel are withdrawn. Meanwhile, as the Hung Govt has been informed in the US note of Jan 29, 1951, the travel procedures put into effect by the US Govt will be administered with due regard to the consideration accorded by the Hung auths to travel requests of US official personnel in Hung. *End* [4]

---

[1] Drafted by McKisson (EUR/EE), concurred in by Higgs (EUR/EE), and signed for the Acting Secretary by Bonbright. Copies of this telegram were pouched by air to Vienna, Praha, Warsaw, and Bucharest.

[2] Document 725.

[3] Not printed.

[4] Telegram 442 from Budapest, March 19, reported that a note had been sent to the Hungarian Foreign Ministry on March 14 as worded here. Copies of the note were handed informally to the British and French Legations on March 16 for information. (264.1111-Vogeler, Robert A./3-1951)

Suggest foregoing be brought informally attn ur Brit and Fr colleagues Budapest for their info.

WEBB

---

## No. 728

264.1111 Vogeler, Robert A./3-2751: Telegram

*The Secretary of State to the Legation in Hungary* [1]

SECRET WASHINGTON, March 27, 1951—11 a.m.
PRIORITY NIACT

256. Pursuant gen plan action Vogeler case agreed prior ur return Budapest, [2] Munich relay VOA Hung program can be terminated effective midnight Apr 7 and Salonika only used medium wave thereafter. VOA wld preannounce forthcoming change throughout period beginning Apr 1. Dept accordingly proposes, subj ur final concurrence and ur choice alternatives listed item 1 below, that you sched appt Berei, referring previous discussions Vogeler case (urdes 448 Dec 16, 432 Dec 12, and 394 Nov 29 [3]) and stating you have instrs from ur govt which may interest Hun Govt and enable final settlement matter. Timing appt wld of course be determined by ur choice alternative under item 1. Ur statement US position to Hung FonOff wld cover fol pts:

1. *Radio Interference:*

Alternative A. Procedure envisaged this alternative wld be initiate negots Hungs on basis accomplished fact. In this instance, therefore, you wld arrange appt Berei Apr 9 or soonest thereafter and take fol line: US Govt, being concerned no less than Hung Govt with problem radio interference, has decided terminate relay VOA Hung program through Munich and transmit through other channel which will avoid such interference. As Hung Govt probably already aware, this change announced Apr 1 and VOA Hung program has been relayed through new channel since Apr 7. US Govt accordingly as-

---

[1] Drafted by McKisson (EUR/EE); approved or cleared by Campbell (EUR/EE), MacKnight (P), and Kohler (IBD); and signed for the Secretary by Bonbright.

[2] Minister Davis was in Washington for approximately 6 weeks from mid-January until early March 1951 to serve on the Foreign Service Officer Selection Board. During his stay in Washington, Davis discussed the Vogeler case with officers of the Department. No records of those discussions have been found, but see despatch 737 from Budapest, Document 735. During his stay in Washington, Davis also apparently called on Secretary Acheson to report on his mission to date, but no record of that meeting (presumably on January 31) has been found.

[3] None of these despatches is printed. For telegram 300 from Budapest, December 16, 1950, which reported on Davis' meeting with Berei on that day, see *Foreign Relations*, 1950, vol. IV, p. 1021.

sumes problem radio interference, as raised by Hung Govt re Vogeler case, is now effectively disposed of and perceives no reason this time why existing arrangement cannot be continued.

Alternative B. Method this alternative wld be endeavor ascertain probable Hung attitude prior announcing or making any change VOA Hung program relay. In this case, you wld accordingly make appt Berei soonest and state: US Govt, being concerned no less than Hung Govt with problem radio interference, contemplates termination Munich relay VOA Hung program at earliest date and transmission program thereafter through other channel which will avoid such interference. Is US Govt justified assuming this change, when initiated, will effectively dispose issue radio interference as raised by Hung Govt re Vogeler case? If Hung reply this query affirmative and agreement reached release Vogeler, change wld be carried out, time permitting, accordance above-mentioned dates Apr 1 and Apr 7 or later dates as might be necessary.

Alternative C. Purpose this alternative would be in effect make any change VOA Hung program relay conditional upon actual release Vogeler. Under this procedure, you wld call on Berei soonest and state position as fols: US Govt, being concerned no less than Hung Govt problem radio interference, contemplates termination Munich relay VOA Hung program and transmission program thereafter through other channel which will avoid such interference. US prepared implement this change operations immed upon release Vogeler and his safe arrival US sector Vienna.

FYI, any these alternatives acceptable VOA. However, Dept inclined regard alternative A as least likely complicate negots and preferable from US public relations pt view because it divorces US action most clearly and completely from Hung demands. However, there is question whether alternative A provides us with as much bargaining leverage with Hungs as C or even B. Ur comments requested most urgently re foregoing.

2. *Restitution:* US Govt cannot continue indefinitely hold open offer made in June 1950 agreement [4] to facilitate delivery Hung property found available US zone Ger for restitution Hung. It is necessary US make definitive disposition this property immed future, not only because of burden which its maintenance involves for US and Ger auths, but also, particularly, in view changing relations between occupying Powers and Ger Fed Republic. US Govt will not further maintain above-mentioned property in present status beyond Apr 22 and, if way not cleared by that date for return property to Hung, must then proceed liquidation property by sale and place proceeds in blocked acct in Ger. In circumstances, it is to advantage Hung Govt that it renew acceptance, as does US Govt, this phase agreement June 1950 as embodied leg note 144 May 26 (urdes 549 May 26, 1950). [5] Hung cultural property remain-

[4] Regarding this agreement, see footnote 2, Document 723.

[5] Not printed, but see footnote 2, Document 723.

ing Ger falls into category separate from non-cultural property found available for restitution and is therefore exempt from liquidation procedure which must be applied noncultural items in absence US-Hung agreement by Apr 22. US Govt will, of course, also facilitate return such cultural property Hung fol release Vogeler and his safe arrival US sector Vienna. Leg shld endeavor avoid discussion status which proceeds wld have in event liquidation property but, if Hungs press questions this regard, shld state matter can only be discussed and dealt with at such time as liquidation property may take place.

3. *St. Stephen's Crown:* US Govt is not prepared discuss return St. Stephen's Crown as condition Vogeler's release. This property was not removed by force from Hung but was surrendered to US auths for safekeeping and is being held in trust by them. It is therefore outside scope of restitution and continues to be treated as property of special status. US Govt does not regard present juncture as opportune or otherwise appropriate for taking any action re its disposition.

4. *Hung Consulates and Travel US Cits Hung:* Position US Govt on other pts dealt with in agreement June 1950 is maintained: US is prepared, fol release Vogeler and his safe arrival US zone Aus, to permit reopening Hung Consulates Cleveland and NYC and again to validate passports private US cits for travel Hung.

Hung Govt, if disposed accept foregoing proposals, may, as on previous occasion (ur 324 May 15, 1950 [6]), insist on written statements covering pts agreement. In this event, you are authorized accede, keeping in mind fol suggestions:

a. Text note nr 143 May 26 re reopening Hung consulates and travel private US cits Hung (urdes 549 May 24 [*26*], 1950, enc 1) remains entirely applicable and might therefore stand under old date May 26, 1950 or be sent again under current date. Matter not of great importance, but since we have consistently maintained that full agreement was reached last June US propaganda purposes wld be better served perhaps if agreement on these particular pts at least were to stand as of that time.

b. Text note nr 144 re restitution (urdes 549 enc 2) still substantially applicable, but new note shld probably be sent incorporating assurances subsequently given leg note nr 165 June 16 (urdes 614 June 16, 1950 [7]) with insertion phrase "including Hung cultural property" after words "available for restitution" in both first and second sentences note nr 144.

c. Text first para *Aide-Mémoire* re effective date for implementing arrangements for restitution (urdes 549 enc 3) remains applicable with appropriate change reference first line and insertion "including Hung cultural property" after "available for restitution". You may use own judgment re retention final para on safeguards Vogeler's departure, but Dept sug-

---

[6] For text, see *Foreign Relations*, 1950, vol. IV, p. 1007.

[7] Neither the note nor the despatch under reference here is printed. The substance of the note is described in telegram 386 from Budapest, June 15, 1950; for text, see *ibid.*, p. 1012.

gests that, in view previous Hung sensitivity this score (ur memo conversation with Berei May 26, 1950 [8]), oral understanding this subj sufficient or even preferable.

d. *Aide-Mémoire* re radio interference (urdes 549 enc 4) no longer applicable and shld be replaced by statement conforming line taken under item 1 above. Leg shld avoid any statement this connection whereby US action in shifting VOA Hung program Salonika cld be directly construed as acceptance Hung demand.

e. *Aide-Mémoire* re revocation gen license 32-A (urdes 549 enc 5) presumed to have settled this matter and any further reference to it wld appear unnecessary.

f. Text *Aide-Mémoire* re discussion questions which may arise connection restitution deliveries (urdes 549 enc 6) remains applicable with insertion phrase "including Hung cultural property" after words "available for restitution" in both first and penultimate sentences. Dept believes, however, that it wld be preferable not revive this matter unless Hungs insist on US stating its position.

Substance items 2 and 3 above being sent HICOM Frankfort for its concurrence soonest in order leg may proceed as sched with approach Hung FonOff. Leg shld in any case defer action pending HICOG's clearance this phase.

In view unfortunate publicity Vogeler negots June 1950, Dept believes advisable that info re forthcoming negots be kept under strictest security control. You may wish await results ur approach Hung FonOff before acquainting ur Brit colleague developments but may use own judgment. Present tel not rptd Vienna but Chief of Mission there shld, of course, be alerted by leg by secure means if negots proceed favorably and release Vogeler appears imminent. [9]

ACHESON

[8] Not printed.

[9] In telegram 453 from Budapest, March 28, Davis expressed concurrence with Alternative A set forth in this telegram. (264.1111-Vogeler, Robert A./3-2851) Telegram 259 to Budapest, March 29, stated that, in line with the procedure envisaged in Alternative A, the Voice of America would proceed with the scheduled measures. The Department assumed that Davis would approach Berei on April 9 or as soon thereafter as possible. (264.1111-Vogeler, Robert A./3-2851)

## No. 729

264.1111-Vogeler, Robert A./4-951: Despatch

*The Minister in Hungary (Davis) to the Department of State*

SECRET
No. 696

BUDAPEST, April 9, 1951.

Subject: Vogeler Case

MEMORANDUM OF CONVERSATION

Present: Undersecretary for Foreign Affairs Berei and the Minister

I called on Mr. Berei at 4:00 o'clock this afternoon by appointment at my request. He received me promptly and remarked with a wide grin that today the two of us were alone. I explained that my alter ego is in the United States. He offered no explanation for Sik's absence. (This was as I had expected. It has been the experience of my Western colleagues and myself that Berei usually receives alone when the visitor is unaccompanied.) I opened the conversation by saying that I had now been back in Budapest four weeks but while I had wanted to see him, I had not wanted to take up his time until I had something concrete to say. Naturally I had used the opportunity provided by my presence in Washington for a full discussion of our various problems but as certain decisions had not been taken at the time of my departure I had awaited instructions. These had now come and I had something to say to him that I thought he would find of interest.

With reference to the question of radio interference I spoke in terms of Alternative A in the Department's telegram 256 of March 27 [1] and concluded that I assumed this action satisfactorily disposed of that crucial question.

Turning now to the question of the "so-called Royal Crown" I delivered verbatim the message contained in numbered paragraph III of the telegram referred to above. I went on immediately, speaking quite informally and as though it were of much less importance, to tell him, as outlined in numbered paragraph II of the Department's telegram, that the United States would have to proceed to liquidate property other than cultural if an agreement were not reached by the end of this month.

When I finished what I had to say about the radio Berei indicated by a nod of the head that he was in fact aware of the action we had taken and that there was nothing more to be said on that subject. He also had no comments to make on the possibility of liquidation of property in Germany in the absence of an early agreement. As to the Crown, he said, of course, he could not make any comment until the matter had had the attention of his Government nor did he wish to enter into an argument with me but at first flush he found this standpoint of the American Government somewhat surprising. How did the Crown get into American hands? And

[1] *Supra.*

was there any question but that it was property of the Hungarian State? I replied that it came into American hands because it was surrendered to the American forces by Hungarian soldiers in uniform who were engaged in warfare against the United States and surrendered themselves, then delivered the Crown for safe-keeping. Of course it was Hungarian State property and it had been delivered by Hungarian officers. The point for him to remember was that it was not taken by force by German forces after January 20, 1945, which is the qualification of Hungarian State property subject to restitution. Berei seemed to treat this whole matter as somewhat of a joke and commented laughingly that the so-called Hungarian officers might have been Hungarian citizens but after January 20 they were under orders of the Nazis and hard to distinguish from them. I begged him to remember the wording of the treaty and said at any rate what I had told him was my Government's decision. He laughed again and said he didn't want to have a dispute with me; then becoming serious repeated that he would report to his Government at once and get in touch with me as soon as possible.

Perhaps I am clutching at straws but Berei did seem in a far better humor than usual. Having completed our business he spoke of the pleasant weather and I referred to the very enjoyable festivities over the 4th. He said he was glad I enjoyed myself. We discussed the ballet a bit and he said he was glad I had an opportunity to see it. Then, with a broad grin, he remarked that the American diplomats in Budapest are much better off in this respect than the Hungarians in Washington because Budapest contains one-eighth of the population and is the cultural center whereas Washington is hardly that. I took his line and returned his grin with the suggestion that the complaints of his people in Washington could easily be disposed of by removing the restrictions placed on us here. We would be glad to follow suit. He grinned again but made no comment. I said it really was too bad that his Government had done that; sometime before I leave Hungary for good I would like to visit the Hortobagy but that was miles beyond the zone he had set up. Berei said he hoped I wasn't planning to leave Hungary for good. I replied that it would happen sooner or later. He then said there was no reason why I should not visit the Hortobagy and any time I wanted to I should give him a ring a few days in advance and he was sure it could be arranged. He thought the summer would be the best time.

While this exchange of pleasantries was going on I took from my pocket two *aides-mémoire* (copies enclosed [2]), one dealing with the radio and one with the Crown. I then handed these to Berei and said that I had brought them along for his convenience as they stated exactly the position of my Government. He expressed his thanks. (I had prepared in advance a note bringing together and modifying, as directed by the Department's telegram, my previous Notes Nos. 144 and 165 of May 26, 1950 and June 16, 1950, respectively, and *aides-mémoire* reiterating the other points of the June 16 agreement but there seemed no reason to deliver these in the absence of any request for a written statement. [3]

NATHANIEL P. DAVIS

---

[2] The two *aides-mémoire*, both dated April 9, read as follows:

"The Government of the United States, being concerned no less than the Hungarian Government with the problem of radio interference, has decided to terminate the relay of the Voice of America program through Munich and to transmit through another channel which will avoid such interference."

"The Government of the United States is not prepared to discuss the return of St. Stephen's Crown as a condition to the release of Mr. Robert A. Vogeler. This property was not removed by force from Hungary but was surrendered to United States authorities for safe-keeping and is being held in trust by them. It is therefore outside the scope of restitution and continues to be treated as property of a special status. The Government of the United States does not regard the present juncture as opportune or otherwise appropriate for taking any action regarding its disposition."

[3] Regarding notes of May 26 and June 16, 1950, see footnote 2, Document 723. Presumably the "note prepared in advance", referred to by Davis, is textually the same as Legation note 139 to the Hungarian Foreign Ministry, Document 732.

---

## No. 730

611.6411/3-1951: Telegram

*The Secretary of State to the Legation in Hungary* [1]

SECRET PRIORITY WASHINGTON, April 12, 1951—7 p.m.

278. Fol pts, which are consistent gen US position re travel restrictions Hung personnel US as previously notified Hung FonOff ur note Mar 14 (ur 442 Mar 19 and Dept 241 Mar 12 [2]) are for ur guidance in event FonOff raises question travel by Hung consular officers US (ur 470 Apr 10 [3]) and may be used as you think advisable or necessary in circumstances.

---

[1] Drafted by McKisson (EUR/EE), approved by Reinhardt and Higgs (EUR/EE), cleared by Boykin (CON) and Muir (S/S-PR), and signed for the Secretary by Huston.

[2] Telegram 442 from Budapest is not printed, but see footnote 4 to telegram 241, Document 727.

[3] Not printed.

1. Basic US position remains as stated ur note Hung FonOff Mar 14 (ur 442 Mar 19 and Dept 241 Mar 12): (a) removal restrictions on travel official Hung personnel in US cannot be considered until Hung restrictions US personnel Budapest are withdrawn and (b) meanwhile US restrictions will be administered with due regard manner in which Hung restrictions are applied US personnel Budapest. Same procedures which apply Hung leg Wash wld therefore apply Hung consular offices NYC and Cleveland if reopened, and Hung consular personnel wld be subj restrictions on travel.

2. However, since NYC metropolitan area more extended than that Wash or Cleveland, Dept prepared make reasonable adjustment limits zone in which Hung consular personnel NYC may travel without permit.

3. If Hungs insist on explicit designation limits unrestricted zones, you may indicate these as fols: Wash—18-mile radius from White House; Cleveland—18-mile radius from Public Square; NYC—25-mile radius from City Hall.

ACHESON

## No. 731

264.1111 Vogeler, Robert A./4-2051: Despatch

*The Minister in Hungary (Davis) to the Department of State*

TOP SECRET BUDAPEST, April 20, 1951.

No. 721

Subject: Vogeler Case

MEMORANDUM OF CONVERSATION [1]

Present: Chief Deputy Minister for Foreign Affairs Berei; Dr. Sik, Chief, Political Department, Ministry for Foreign Affairs; the Minister

I called on Mr. Berei at 4:00 p.m. today at his request. There were two unusual features. First, the Chief of Protocol telephoned me personally to ask if that hour would be convenient. Ordinarily such appointments are made between Mr. Berei's secretary and my own. Second, Dr. Sik was in the anteroom and chatted with me for a few minutes about inconsequential nothings, but pleasantly. He then escorted me into Mr. Berei's office.

Mr. Berei opened the conversation by saying that he had two comments to make on our latest meeting and two documents to hand me in connection therewith. First, as to the Royal Crown.

[1] A very brief summary of this conversation was transmitted to the Department of State in telegram 489 from Budapest, April 20. (264.1111-Vogeler, Robert A./4-2051)

The Hungarian Government found the position of the United States Government as set forth in my latest *aide-mémoire* and during our conversation wholly untenable and without legal justification. He wished to hand me a communication on the subject which I could read at my leisure and in which I would find set forth the unanswerable position of the Hungarian Government. He then handed me *aide-mémoire* 00523/1951 bearing today's date. [2]

Mr. Berei then said that quite independently of this question which the Hungarian Government wished to pursue further through normal diplomatic channels, his Government was of the opinion that since the United States has met the insistent demand of the Hungarian Government that it take steps to remove radio interference his Government perceived no obstacle to the release and expulsion of Mr. Vogeler provided I could assure him that the other points on which agreement had already been reached in this matter were still valid; in other words, if the United States maintains its willingness to do certain things on which we had agreed and with which I was familiar. To facilitate consideration of this matter he had put these points together in an informal memorandum, which was not a communication, which he then handed me. It is No. 00522 and bears today's date. [3] I glanced through the memorandum and noted that it starts by reciting that during discussions initiated by this Legation under instructions of the United States Government the Legation had declared its readiness to take the following steps in the event of Mr. Vogeler's expulsion and departure from Hungary:

(1) Approve re-opening of Hungarian Consulates in New York and Cleveland;
(2) Again validate passports of private United States citizens who may wish to travel to Hungary;

---

[2] The following summary of the salient portions of the Hungarian *aide-memoire* 00523-1951 was transmitted to the Department of State in telegram 491 from Budapest, April 20:

"Hung *aide-mémoire* re Crown considers US viewpoint 'wholly unfounded and unlawful' states Crown undoubted property Hung state, hence only Hung people's rep has right to dispose thereof, hence Govt US is not and cannot be authorized withhold it when Hung Govt claims restitution. Counters statement Crown not removed by force but surrendered for safekeeping by pointing out surrender cld only have been by persons not legally proprietors. Crown removed from Hung by 'gov't of war criminal Szalasi' subservient to Hitler, then cites memo IV May 1, 1947 from office US mil governor econ div, and points out Szalasi 'whose mandate led to the Amer auths holding the Crown in trust' was extradited to Hung as war criminal by same Amer auths and executed." (264.1111-Vogeler, Robert A./4-2051)

The full text of *aide-mémoire* 00523-1951, a copy of which was transmitted as an enclosure to despatch 722 from Budapest, April 20, is printed in *Hungarian White Book*, pp. 241-242.

[3] The full text of the note under reference was transmitted as enclosure 2 to despatch 722 from Budapest, April 20. (264.1111-Vogeler, Robert A./4-2051)

(3) Facilitate the delivery of "all Hungarian goods in the United States Zone of Germany which have been found available for restitution" and permit two Hungarian representatives to enter the United States Zone to receive restituted property and arrange for its transportation;

(4) To recognize the two above-mentioned representatives as official representatives of the Hungarian Government, facilitate their entry and render all proper assistance.

(This is a brief summary. Each point cited the appropriate note from this Legation).

The memorandum then referred to interference with Hungarian broadcasts by the VOA "the termination whereof has been stipulated by the Hungarian Government as one of the conditions of Vogeler's release" and states that the Hungarian Government "considers this condition fulfilled as the Government of the United States has imparted by the *aide-mémoire* of April 9, 1951 [4] of its Minister to Budapest that it 'has decided to terminate the relay of the Voice of America program through Munich and to transmit through another channel which will avoid such interference'."

Finally the memorandum states that if this Government will corroborate in writing the obligations assumed as set forth in numbered paragraphs 1 through 4 above "there will be no obstacle as far as the Hungarian Government is concerned of [*to*?] Vogeler's expulsion and departure in the nearest future".

I told Mr. Berei that I could give him the assurances he asked for. He said as a matter of record he would like them in writing and I said I observed that his memorandum so stated and he would have a note the first thing tomorrow morning. [5] Mr. Berei heaved a sigh, smiled and said, "Thus ends a long diplomatic exchange." He then said he wished to remind me of the desire expressed on previous occasions that the first publicity on this matter should be that issued by the Hungarian Government; this was quite an unusual step for the Hungarian Government to take and it would be necessary to explain it for the benefit of Hungarian public opinion. [6] I

---

[4] For text, see footnote 2, Document 729.

[5] The note is printed *infra*.

[6] Telegram 495 from Budapest, April 23, reported that the following statement had been published in all Hungarian newspapers on April 22:

"Hungarian-Amer discussions—The Info Section MinFon Aff communicates the fol: Upon instructions from its govt, the American Leg, Budapest has started negots a few months ago to the effect that the Hungarian Govt expel from Hungary American citizen named Robert Vogeler who was convicted in the so-called Gieger espionage case. In exchange it declared itself willing to fulfill Hungarian People's Republic govt's various rightful but hitherto unfulfilled wishes. The discussions conducted on these bases have led to good results." (264.1111-Vogeler, Robert A./4-2351)

Regarding the formal Hungarian Government statement of April 28, see Document 733.

said I realized that and was willing to meet his wishes; I was sure that if the position were reversed I would seek the same. Mr. Berei asked me if I had any desires as to the timing of the publication and I replied that as his Government desired to have the first say they should make their announcement prior to Vogeler's arrival in Vienna since once he is free the United States Government could not control access to him by American newspaper correspondents. Berei laughed and said I could be sure that the announcement would precede his arrival in Vienna by some hours so that the story would not be first news for the journalists.

Mr. Berei then indicated that we seemed to have reached agreement on all points and the next step was a written communication from me. I repeated that he would have it tomorrow morning and that I shared the satisfaction he had expressed a few moments ago that this long diplomatic exchange was terminating in a satisfactory manner. Berei said he wished that more basic differences between governments could be settled as satisfactorily as we had settled our minor problem and I replied that I thought there was some hope of steps in that direction now being taken in Paris proving successful. Berei said he hoped so.

We remained together for a few moments and indulged in some joking about the leave regulations of our respective Governments. I had told Berei that I was going home next month and what with leave, travel time and awaiting accommodations would probably be gone about three months. He said he would soon have complaints from his people in Washington because they only get 30 days and have to travel by the fastest means. When he asked if I could take that much leave every year I explained our system briefly, including accumulated leave. Berei laughed and said that was something worth looking into but he was afraid that the accumulation of leave was too capitalistic for his state to which I countered that it wasn't a complete development of capitalism because while unused days of leave remain to my credit in what might be called the leave bank they do not draw interest. This drew boisterous laughter from both of them and upon that happy note I took my departure.

NATHANIEL P. DAVIS

## No. 732

264.1111-Vogeler, Robert A./4-2351

*The Legation in Hungary to the Hungarian Ministry for Foreign Affairs* [1]

No. 139

The Legation of the United States of America presents its compliments to the Hungarian Ministry for Foreign Affairs and with reference to its Notes No. 143, May 26, 1950; No. 144, May 26, 1950; and No. 165, June 16, 1950 has the honor to reiterate that upon the release of Mr. Robert A. Vogeler by the Hungarian authorities and his safe arrival at the American Legation in Vienna, the Government of the United States:

(1) Will approve of the reopening of the Hungarian consular establishments in New York City and in Cleveland, Ohio;

(2) Will, through its appropriate agencies, again validate the passports of private United States citizens who may wish to travel to Hungary;

(3) Will, as of a date to be agreed upon informally by the Hungarian Ministry for Foreign Affairs and by the Minister of the United States in Budapest, facilitate the delivery of all Hungarian goods in the United States Zone of Germany which have been found available for restitution, and permit two Hungarian representatives to enter the United States Zone of Germany for the purpose of receiving restituted property and arranging for its transportation.

(4) Will recognize as official representatives of the Hungarian Government the two representatives whom the United States authorities in Germany will be prepared to receive in order that they may take delivery and arrange transportation of the Hungarian goods referred to above. Their entry into the American Zone of Occupation will be facilitated for the purpose stated and the United States military and civil authorities in Germany will render all proper assistance to these representatives of the Hungarian Government in connection with the collection and shipment of the property in question.

The Legation of the United States of America avails itself of this opportunity to renew to the Hungarian Ministry for Foreign Affairs the assurance of its high consideration.

BUDAPEST, April 21, 1951.

---

[1] Minister Davis delivered this note to Hungarian Under Secretary Berei on April 21 in accordance with their conversation of the previous day (see despatch 721, *supra*). It was delivered under cover of a letter of April 21 from Davis to Berei briefly explaining aspects of the note and requesting information on the plans for Vogeler's departure from Hungary. The letter and the note were transmitted to the Department of State as enclosures to despatch 723 from Budapest, April 23.

## No. 733

*Editorial Note*

Robert A. Vogeler was released by Hungarian authorities at the Austrian-Hungarian frontier at 11 a.m. on April 28 and was immediately escorted to Vienna by personnel from the Legation in Austria (see telegram 2516, *infra*). At the time of Vogeler's release, the Department of State issued two statements to the press. The first briefly recapitulated the circumstances of Vogeler's release and the assurances given Hungary by the United States Government antecedent to his release. The second reviewed the background of the negotiations in the Vogeler case. For text of the two statements, see Department of State *Bulletin*, May 7, 1951, pages 723–725. For its part, the Hungarian Government also released a brief statement to the press summarizing the basis of the agreement for the release of Vogeler. That statement was reported in telegram 508 from Budapest, April 28. (264.1111–Vogeler, Robert A.) Vogeler departed from Vienna for New York by airplane on April 30. Just prior to his departure, Vogeler addressed messages of gratitude to President Truman and Secretary of State Acheson. For text of those messages, see *ibid.*, May 14, 1951, page 770.

---

## No. 734

264.1111-Vogeler, Robert A./4-2851: Telegram

*The Minister in Austria (Donnelly) to the Secretary of State* [1]

SECRET NIACT VIENNA, April 28, 1951—7 p.m.

2516. Robert Vogeler met at Hung border this morning by Consul Arthur Tower, Allied Secretariat Director Halvor Ekern, chief interpreter Alexander Bloomfield and Leg chauffeur, who understands minimum English. His physical condition appeared relatively good, despite forced lack of sleep last two nights and nervous tension attendant release announced to him only this morning. Mentally alert, considering 17 months solitary confinement.

During two-hour drive from frontier to Vienna, Vogeler talked almost continually about trial and confinement, despite efforts to divert him from these topics. Detailed report will be despatched Monday. [2] Following are highlights of experiences and emotions

---

[1] Repeated to Budapest.

[2] The detailed report was transmitted in despatch 1166 from Vienna, May 1. (264.1111-Vogeler, Robert A./5–151)

poured out unsolicited in confidence in his first friendly conversation since his arrest.

Immediately following arrest, he was interrogated continuously for 72 hours, then placed in wet cell with inadequate clothing and no heat for ten days, then in court jail with police agent cell mate until trial, then in solitary confinement newly converted jail for remaining period. All jails in Budapest. Received no physical beating but all kinds of mental pressure and forced write and sign scores of statements. Procedures markedly similar those described Koestler's *Darkness at Noon*. His request see American Legation rep refused. Hand-picked lawyer saw him only once, and not at trial, merely told him what to say and what sentence wld be. During confinement had reasonably adequate food, daily solitary exercise, many interferences with sleep, and continual indignities. Principal conditioning before release was being required all penultimate night read white paper on his trial and receiving lecture most of next. Prior to release he was told not to tell tall tales as it wld be worse for Sanders and any more American prisoners.

Emotionally he is naturally upset, worried about opinion of his employers and of public, whether he still has a job.

He reverts continually to his conduct immediately before arrest, wondering whether he cld have escaped by acting differently. He was unaware of Korean war and other world events since arrest. However he still has sense of humor. Our impression one of highest admiration for his courage and bearing. His immediate reaction to suggestion of immediate flight home was unfavorable preferring ocean trip but still hope persuade him leave Monday.

Vogeler met press collectively this afternoon and gave them general picture his detention. He intends avoid further contact with press before his departure. Both he and Mrs. Vogeler reiterated gratitude to Dept and to Legs Budapest and Vienna.

DONNELLY

---

## No. 735

264.1111-Vogeler, Robert A./5-251: Despatch

*The Minister in Hungary (Davis) to the Department of State*

RESTRICTED BUDAPEST, May 2, 1951.

No. 737

Subject: The Vogeler Case

The Vogeler case, which has colored Hungarian-American relations for the past year and a half, has finally reached a satisfactory

conclusion and it may not be amiss to review the protracted negotiations and consider their implications. For ready reference a time table of the principal events is inserted at this point. [1]

Analysis of the foregoing reveals that what may have been uppermost in the minds of the Hungarians from the very beginning of negotiations for Vogeler's release was the question of radio interference. The Vienna journalist's brain child—that Hungary was demanding St. Stephen's Crown—provided an opportunity to raise the ante had they so desired; and for a while it appeared that they did so desire. The American "concessions" on consulates and travel documents merely restore the position before Vogeler's arrest. They were on the verge of getting restitution, and they knew it. In other words, they have gained nothing—and demanded nothing—in exchange for Vogeler beyond shifting the Hungarian medium wave broadcasts of the Voice from 251 to 314 meters and their place of origin from Munich to Salonika.

It should be noted, however, that while the reopening of Hungarian consulates in the United States merely restores the *status quo ante*, it is a step which the Hungarians evidently very much desired. This has been made clear in conversations at various times during the negotiations and in the urgent attention reportedly being given by the Foreign Office to recruiting consular staffs even before Vogeler was out of the country. Thus one act of retaliation at least—the closing of the consulates—seems to have exerted useful pressure.

The composition of the proposed restitution mission to our Zone of Occupation also suggests that the Hungarians were willing to pay a fairly high price for permission for it to enter Germany—not necessarily for the sole purpose of taking possession of restitutable property.

This is not to suggest that Vogeler was arrested and his trial staged as a devious means of breaking up Voice Interference with their own Radio Petofi. Surely more direct and less troublesome means could have been found. As a matter of fact, the interference problem was to a considerable extent artificially created by the Hungarians themselves. The motive for Vogeler's arrest and trial was something else.

I retain my belief that the motive, insofar as the initiative was Hungarian, for Vogeler's arrest and conviction was: first, to demonstrate the power of the communists to persecute a prominent representative of American big business with impunity; second, to lay the foundation for enforcing a drastic reduction in the size of this mission; and, third, to pave the way for nationalization of the few

[1] Not printed.

remaining but fairly important foreign (i.e. Western) industrial enterprises in Hungary.

As to the first of these assumed objectives, the Hungarian Government certainly succeeded brilliantly. It produced Vogeler in open court, appearing perfectly normal, and broadcast to the whole country his full confession, in his own natural voice, of crimes we know he did not commit, and his abject plea for mercy in terms we do not recognize as characteristic of the man.

As to the second, it succeeded partially, but fast footwork on our part forestalled serious damage and, to be completely frank, led to results reasonably satisfactory to ourselves.

As to the third, it also scored a success, but of minor importance. It is a safe assumption that nationalization was inevitable in any event. All that was accomplished was perhaps to hasten it somewhat and to provide some justification for the benefit of Hungarian public opinion.

The motives of the Kremlin, skulking always in the background of Hungarian foreign affairs (and indeed domestic affairs as well) are less obvious. The demonstration that a satellite government has the power to push an American citizen around was certainly not unpleasing. The support given by Vogeler's confession to the anti-imperialist, hate-America, expose-the-warmongers campaign must also have caused smiles of satisfaction in Moscow. Whether there was some further and deeper motive I could not say, although the temptation is strong to suspect a pinch of pure cussedness in the recipe for every Moscow brew.

Why this particular time was chosen, by the Hungarians or by the Soviets, to agree to Vogeler's release—and without gaining the gratuitously offered point regarding St. Stephen's Crown—is somewhat of a mystery. True, the Hungarian Government obtained its desire to silence the Hungarian broadcasts of the VOA from Munich on 251 meters; but the Voice is still heard—and for the present at least without interference—through other channels. Again, the Hungarians were on notice that the absence of an agreement for Vogeler's release before May 1 would result in liquidation of restitutable Hungarian property in Germany; but while they talk of that property in large figures they must realize that its value is not great. It will be recalled that more than a year ago Rakosi himself indicated to me his knowledge that its value had greatly decreased. Perhaps the best explanation of their timing is their realization that they had attained their principal objective and that the American Government would make no further concessions. If this be correct, the question for them was simply whether to accept the price we offered as the best obtainable or be left with Vogeler on their hands indefinitely. They had played us against

the British for months. Having reached an impasse with the latter, they may have decided to try the leverage of an aroused British public opinion to obtain a favorable trade agreement in exchange for Sanders.[2] For it is to be expected that if the American chief victim is released on relatively easy terms while his second string British associate remains in prison, the British press will want to know why and questions will be asked in Parliament of a none too stable government.

Both my British colleague[3] and I have held to the belief, ever since the Hungarian government first indicated a willingness to negotiate more than a year ago, that having extracted the maximum propaganda value from the trial and public confessions of Vogeler and Sanders, the victims became, in Hungarian eyes, no more than commodities to be exchanged for the highest acceptable price. It thus became our problem to determine what we could afford to pay, having due consideration for political and strategic, as well as economic, effects in the broad international field, and to discover how low a price, within these limits, the Hungarians would consider (or be permitted to consider) adequate. In the case of Vogeler the answer was found in changing the Voice wave length. Thus we come once more to the conclusion that the Voice was the really important consideration in their minds, so far as Vogeler is concerned. In the case of Sanders we believed that the answer was to be found in the resumption of negotiations for a trade agreement; but after some months of bargaining on this basis the Hungarians injected a condition which the British have so far been unwilling, from consideration of global interests, to meet.

An interesting postscript to this line of reasoning has been furnished by my Belgian colleague. He had an appointment to see Mr. Berei on April 23, two days after the Hungarian announcement of an agreement with us for Vogeler's release. He had sought that interview in order to renew the Belgian government's previous

---

[2] Edgar Sanders, a British citizen and a representative in Hungary of the International Telephone and Telegraph Corporation, was, like Robert Vogeler, arrested by Hungarian authorities in November 1949 on suspicion of espionage and subsequently held incommunicado. With Vogeler and four Hungarian codefendants, Sanders was tried and convicted by a Hungarian court in February 1950 of espionage and other crimes against the Hungarian state, and was sentenced to 13 years imprisonment.

The Hungarian Government had suggested that Sanders might be released if the British would, in a new trade agreement, guarantee that Hungary would receive certain quantities of copper and lead. The British Government informed Hungary in early February 1951 it was prepared, upon the release of Sanders, to begin negotiations with Hungary for a new trade agreement but that no assurance could be given Hungary of the receipt of any specific commodities. (Memorandum of conversation by Campbell, February 6, 641.64/2-651)

[3] Geoffrey Arnold Wallinger, British Minister in Hungary until June 1951.

appeal for executive clemency for a Belgian subject serving a sentence of life imprisonment for espionage. M. de Caritat de Peruzzis asked whether the recent announcement of Vogeler's impending release might foreshadow a disposition to greater leniency in other similar cases. Mr. Berei replied quite frankly (according to my Belgian colleague) that the Hungarian government had no interest in Vogeler, Sanders, the Belgian woman or any other alleged spy; but would await an offer from the Belgian government. It was for that Government to produce a *quid pro quo*—the Hungarians would weigh it.

There was probably also an element of national pride in the Hungarian calculations. They have negotiated with a great power of the West and struck a bargain by which they obtained certain things they wanted. They were able to publish a statement under the headline "Hungarian-American Negotiations" with no hint that any other power was in any way involved. They are in a position, which undoubtedly they will exploit before their own public, to make it appear that they forced the American Government to grant certain things which it had "illegally" withheld. Finally, they will have the satisfaction of again displaying the Hungarian flag on consulates in two large American cities.

It may well be that a very important element in the Hungarian position was no more than the personal prestige of one man—Matyas Rakosi. It will be recalled that at my interview with him on March 25, 1950, he raised the question of radio interference, quite emphatically but not specifically as a condition for Vogeler's release. It will also be recalled that several times during the ensuing protracted negotiations Berei reminded me of Mr. Rakosi's personal interest in this matter. Finally, once we announced that we had taken unilateral action to remove the interference complained of, the Hungarian Government quickly came to terms and dropped the question of the crown in an almost casual manner. Thus Rakosi has again shown his associates, at home and abroad, that he knows how to get what he wants even to the extent of forcing a great power to his will. The Hungarians could have gone a long way to removing the interference without any action on our part; or they could have accepted our offer of joint action by our respective engineers. But Rakosi wanted the interference wiped out and he wanted it done his way. He got his way and we got Vogeler.

Perhaps the sum total of these reasons was sufficient to move the Hungarians to an agreement. They do not, however, explain why the Soviet government should permit such agreement. There is, of course, no direct evidence that the Soviet Government has played any part or taken any interest in the Vogeler case, but it would be naive to suppose that it has not at least been consulted. It

must therefore be assumed that the Soviet Government, for reasons of its own, was not unwilling that Hungary reach any agreement with the United States at this time or specifically that Vogeler be released on the terms we offered. We do not know what effect was produced in the Kremlin by the approach, on humanitarian grounds, made by our High Commissioner in Austria to his Soviet colleague and I can only speculate as to Soviet reasoning or motives in the premises. Does the Kremlin see in agreement with the Americans but continued deadlock with the British a possible wedge to drive us apart? Does it hope to increase pressure on the British for an Anglo-Hungarian trade agreement including the much-sought-after copper? Does it hope to give a lift to drooping Hungarian spirits? Does it consider the enforced shift in VOA broadcasting channels a precedent for similar and more effective action elsewhere—or a genuine victory over the Voice? As viewed from Budapest, any or all of these considerations could have played a part in Soviet thinking.

*Action requested:*

Department please send copies to AmEmbassies at Moscow, London, Warsaw, Prague, Belgrade, AmLegations at Vienna and Bucharest.

NATHANIEL P. DAVIS

---

## No. 736

*Editorial Note*

A Hungarian Government note of July 2 to the American Legation in Budapest asserted that it had been established in the trial of Archbishop Grösz that nine former or current American Legation officials had been involved in espionage and conspiracy against the Hungarian state, that Legation officials had been involved in almost every fascist conspiracy uncovered in Hungary over a period of years, and that anti-Hungarian subversive movements had the support of the United States Government. The Hungarian Government demanded the immediate recall of Legation officials named in the Grösz trial and the closing of the USIS library and other activities in Hungary. The Hungarian note of July 2, which was transmitted to the Department of State in telegram 4 from Budapest, July 3 (864.413/7-351), is printed in *Hungarian White Book*, pages 201–203. Regarding the Grösz trial, see also Document 745.

In a note of July 5, reported upon in telegram 18 from Budapest, July 5 (123-Sherer, Albert W. Jr.), the Hungarian Government declared Second Secretary of Legation Albert W. Sherer and Legation

Attaché Ruth Tryon *personae non gratae* and demanded that they leave Hungary within 24 hours. Sherer and Tryon accordingly left Hungary on the morning of July 6. The Hungarian Government further stated that Mary Eich, an American clerk in the United States Information Service section of the Legation, who had previously been authorized by the Legation to proceed to Vienna for reasons of health, was also considered undesirable and would not be permitted to reenter Hungary.

In reply to the Hungarian note of July 2, Chargé Mokma communicated a note to the Hungarian Foreign Ministry which categorically denied the Hungarian allegations, and stated:

"In the view of the United States Government, the proceedings in the trial of Archbishop Grosz established nothing except the fact that the Hungarian authorities are continuing by ruthless and unconscionable measures to terrorize the Hungarian people into mute submission to the existing regime and its totalitarian program."

The note also stated that it was "clear that the Hungarian Government has rendered impossible the maintenance of open and normal contacts and the free exchange of ideas and information between the two peoples [the United States and Hungary]". For text of the Legation's note of July 5, see Department of State *Bulletin*, July 16, 1951, page 94.

The Hungarian Government rejected the United States note of July 7 on July 10, in a note which contained the statement, "The Government of the United States better mind its own business," and accused the United States of openly supporting Hungarian fascism and using the United States Legation at Budapest as a spy center. The Hungarian note of July 10, which was subsequently printed in *Hungarian White Book*, page 206, was reported to the Department of State in telegram 28 from Budapest, July 10. (764.00/7-1051)

In a memorandum of July 9, drafted by McKisson (EUR/EE) and cleared by Campbell and Reinhardt (EUR/EE), Bonbright (EUR), Muir (S/S-PR), Keogh (SY), and Matthews (G), Assistant Secretary Perkins proposed the expulsion of two members of the Hungarian Legation in Washington. After briefly reviewing the exchange of notes of July 2 and July 7 and the expulsion of Sherer and Tryon, Perkins made the following proposal:

"We believe that prestige considerations, together with the false basis and therefore unwarranted nature of the Hungarian demands, make it desirable that this Government retaliate against the Hungarian Government by expelling two members of the Hungarian Legation's staff from the United States. We would make no charges against them, thus indirectly emphasizing that there were no valid charges against the US officials whom they declared *per-*

*sonae non gratae.* The proposed retaliatory action is believed necessary to impress the Hungarian Government that it cannot take such measures against our Legation with impunity and to protect to this extent the future position of our representatives there." (601.6411/7-951)

As recommended by Perkins' memorandum, telegram 32 to Budapest, July 13, instructed the Legation in Hungary to present a formal note to the Hungarian Foreign Ministry stating that the presence of Second Secretary Lajos Nagy and Attaché Peter Varkonyi of the Hungarian Legation in Washington was no longer agreeable to the United States Government and requesting the Hungarian Government to effect their departure from the United States. Telegram 32, which had been drafted and cleared by the same officers responsible for the memorandum of July 9, was personally signed by Secretary Acheson who also cleared its substance with President Truman. (601.6411/7-1351)

Chargé Mokma delivered a note to the Hungarian Foreign Ministry on July 15 in pursuance of the instructions of telegram 32. Mokma discussed the note with Hungarian Chief Deputy Foreign Minister Berei the previous evening. Telegram 43 from Budapest, July 15, reported on that conversation in part as follows:

"When I said it was follow-up on our note July 7 and that contents cld not be considered good, he stated that Hung Govt wld immed take countermeasures. We had long discussion differences our two govts and he ended by saying the two wld never be able agree." (601.6411/ 7-1551)

In a note of July 17 to the Legation in Hungary, the Hungarian Foreign Ministry asked to be informed of the reasons rendering the presence of Hungarian Legation officials Nagy and Varkonyi no longer agreeable to the United States Government. (Telegram 53 from Budapest, July 18, 601.6411/7-1851) In a note of July 20, prepared on instructions of the Department of State, the Legation in Hungary replied as follows:

"It is not the practice of the United States Government to give reasons for declaring the presence in the United States of certain representatives of a foreign government no longer agreeable, nor is it customary in international diplomatic practice that declarations of this character require statement of their justification." (Despatch 57, July 25, 601.6411/7-2551)

## No. 737

*Editorial Note*

In June 1951, the Hungarian Government acknowledged that it was evacuating politically unreliable persons from principal Hungarian urban areas. The Legation in Hungary described the evacuation (or deportation) as follows:

"In an effort to destroy the remaining influence of the former middle classes, the Budapest regime callously deported some 30,000 persons from Budapest (and sensitive areas along the Austria and Yugoslav frontiers) between May 21 and July 25. The deportees were sent to miserable villages in North and East Hungary, some to concentration camps, to eke out their existence under slave labor conditions. In reaction to shocked world opinion, the Hungarian Government justified its moves by referring to the deportees as 'fifth columnists' whose departure from Budapest 'rendered the espionage activities of American diplomat agents more difficult.'" (From "Summary of Political and Economic Developments in Hungary in 1951," extracts from which are printed as Document 745)

In a statement issued to the press by the White House on July 27, President Truman condemned the deportations and stated that the United States regarded them as a further flagrant violation of the Treaty of Peace with Hungary and that the United States intended to take all possible steps to expose the situation to public view and judgment and to render the Hungarian Government accountable to the world. (Department of State *Bulletin*, August 6, 1951, page 208) The Secretary of State made a similar statement at his press conference on August 1. (*Ibid.*, August 13, 1951 page 251)

---

## No. 738

Secretary's Memoranda, lot 53D444

*Memorandum of Conversation, by the Secretary of State*

[WASHINGTON,] August 2, 1951.

Subject: First Call of the Minister-designate of the Hungarian People's Republic

Participants: The Secretary
The Minister-designate
John F. Simmons, Chief of Protocol
Mrs. Zsuzzanna Szüjcs, Attaché of the Legation
Mr. Andor Klay, DRS, Interpreter

The Honorable Dr. Emil Weil, newly appointed Minister of the Hungarian People's Republic, called on me today at 2:15 p. m. to

present copies of his credentials and to request an appointment with the President. [1]

The conversation was of a particularly superficial nature, and Dr. Weil, possibly through shyness or lack of familiarity with the English language, said very little during the entire conversation, which lasted some five minutes. His contribution to our talk was so small, dealing with questions of weather and climate, etc., that the chief point to record in connection therewith was his reticence.

Toward the end of his call I expressed to him the hope that, during the time of his incumbency as Minister to the United States, there might develop an improvement in the relations between Hungary and this country, which have certainly not been good in the past.

Although Dr. Weil was accompanied by an Attaché of the Legation and an interpreter of the Department, the latter two persons did not in fact take part in the conversation.

Dr. Weil has a smattering of English, which he chose to use rather than to depend upon the interpreter.

No matters of a political nature were discussed.

---

[1] Minister Weil presented his credentials to President Truman on August 7. The texts of the Minister's remarks on that occasion and the President's reply were included in Department of State Press Release 706.

---

## No. 739

711.5622/12-1451

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Secretary of State* [1]

SECRET [WASHINGTON,] December 14, 1951.

Subject: US Air Force Plane and Crew Forced Down and Interned in Hungary [2]

The following brief account of this incident is submitted for your background information in connection with your appointment with

---

[1] Drafted by McKisson and approved by Campbell, Barbour, and Higgs of EUR/EE. Secretary Acheson had just returned to Washington from Europe where he had headed the U.S. Delegation at the opening of the Sixth Session of the U.N. General Assembly in Paris, November 6 and the U.S. Delegation at the Eighth Session of the North Atlantic Council, held in Rome, November 24-28.

[2] The circumstances of this incident are described in the note quoted in telegram 235 to Budapest, *infra*. Accounts of the developments in this incident were reported in despatches 365, December 12, and 405, January 4, 1952, both from Budapest. (711.5622/12-1251 and 711.5622/1-452)

Mr. Christian M. Ravndal, the new US Minister to Hungary, who is leaving tomorrow for Budapest. [3]

It was announced in a Tass communiqué and in a Hungarian note to the American Legation in Budapest on December 3 [4] that the US Air Force plane, which had been missing since November 19, had been forced down on that date near Papa, Hungary, by Soviet fighter planes and turned over by the Soviet command to the Hungarian authorities. Although Legation Budapest had previously made repeated inquiries, these were the first disclosures of the whereabouts of the US plane which disappeared enroute from Erding in the US Zone of Germany to Belgrade, Yugoslavia.

The Hungarian note of December 3, as well as a subsequent note of December 11, [5] alleged that the plane had deliberately violated the Hungarian border and that the aircraft, as shown by the equipment it carried, had flown over the border with the premeditated intention of parachuting "spies and diversionists" (Yugoslavs) into Hungarian territory.

Legation Budapest on instructions from the Department made firm oral representations to the Hungarian Foreign Office on December 3 [6] and presented written notes December 4 and 6 [7] requesting the prompt release and return of the crew and plane. However, the Hungarian Government has demanded in its abovementioned notes that the US Government severely punish "the persons responsible" for the violation of the Hungarian border and the Under Secretary of the Hungarian Foreign Office has stated orally that the Hungarian Government is prepared to discuss the US request for the release of the plane and its crew when a "satisfactory reply" is received from the US Government regarding the demanded punishment of "responsible persons". [8] We are dispatching a further note to the Hungarian Foreign Office couched in stronger language than that of our previous notes reiterating that the plane's overflight of Hungarian territory was wholly accidental, reminding the Hungarian Government of our prompt and

[3] Ravndal, whose nomination to become Minister to Hungary was approved by the Senate on October 3, arrived in Budapest on December 20 but did not present his credentials and assume charge until early January 1952.

[4] Transmitted in telegram 361 and despatch 333 from Budapest, both December 3. (711.5622/12-351)

[5] Transmitted in telegram 401, December 11, and despatch 363, December 12, both from Budapest. (711.5622/12-351)

[6] The oral representations mentioned here were reported upon in telegrams 360 and 361 from Budapest, both December 3. (711.5622/12-351)

[7] Regarding the notes under reference, see telegrams 368, December 4, 370, December 5, and 378, December 6, and despatches 339, December 5, and 337, December 7, all from Budapest, in Department of State file 711.5622.

[8] American Chargé Abbott reported on his December 11 conversation with Under Secretary Berei in telegram 400 from Budapest, December 11. (711.5622/ 12-1151)

forthright expression of regret in the matter, and rejecting their demand for punishment of "responsible persons", while at the same time indicating that it is in accord with regular procedure for US authorities to investigate the circumstances of such inadvertent flights upon the return of the plane and its crew. [9]

In the light of the Hungarian Government's attitude to date and the nature of its demands in the matter it appears probable that the Hungarian Government has no intention, in the absence of US submission to those demands, to permit the return of the plane and crew at an early date. Available means of bringing pressure to bear on the Hungarian Government in this matter such as publicity, economic action, and diplomatic action hold little promise of being effective in this case.

In the circumstances reviewed above, and having in mind also the course of the Oatis case, [10] there is a definite possibility that we shall be able to effect the release of the US aircraft and its crew only if we are prepared to resort to more drastic measures than we have hitherto employed or considered in previous cases of this kind. It is quite likely that the American public generally and the Congress and press in particular will become increasingly aroused over this incident and that heavy pressure will be exerted by these quarters for the US Government to take strong retaliatory measures against the Hungarian Government or forceful action to compel compliance by the Hungarian Government with US demands for the return of the Air Force crew and plane.

We are urgently studying all aspects of the foregoing situation including attention to the entire range of possible steps for obtaining satisfactory action by the Hungarian Government in this matter.

---

[9] For the text of the note summarized here, see telegram 235 to Budapest, *infra*.

[10] For documentation, see Documents 670 ff.

## No. 740

711.5622/12-1151: Telegram

*The Secretary of State to the Legation in Hungary* [1]

SECRET WASHINGTON, December 14, 1951—6:31 p.m.
PRIORITY NIACT

235. Fol, omitting complimentary beginning and close, is text note which you shld deliver immed in reply Hung note Dec 11 (ur 401 and 400 Dec 11 [2]), together with substance oral statement which you shld make in presenting note Hung FonOff:

*Begin.* The govt of the US rejects as false and contrived in their entirety the allegations put forward by the Hung Govt in its note of Dec 3, [3] and rptd in its note of Dec 11 concerning the USAF plane which was forced down in Hung on Nov 19. The US Govt once more directs the attn of the Hung Govt to the clear facts in this matter, namely, (1) that this unarmed USAF plane was on a routine flight to Belgrade, became lost, and unintentionally crossed the Hung border, and (2) that the equipment carried on the plane was of a standard type normally required for routine flights in the Eur area and that the plane's cargo, likewise of an innocent character, was for the Amer Emb at Belgrade. Assertions by the Hung Govt contrary to these simple facts are preposterous. It is patently ridiculous for the Hung Govt to maintain, as it has, that this unarmed cargo aircraft, which the Hung Govt admits was en route to Belgrade, flew into Hung to drop "spies and diversionists" who were never on the plane and exist only in the imagination of the Hung auths.

In view of the entirely accidental and unwitting nature of the overflight of Hung terr by the USAF plane, there can, in reason, be no responsibility on the part of any US auths for "violation of the Hung border with premeditated intention" and therefore no question of punishing anyone on such grounds in connection with this incident. It may be noted that as a matter of normal procedure US auths will, as is customary with respect to such incidents, investigate the circumstances of this inadvertent flight over Hung terr as soon as the crew of the aircraft is returned. In the circumstances, the US Govt again calls emphatically upon Hung Govt to comply promptly with the US request, previously communicated to the Hung Govt orally on Dec 3 and in writing on Dec 4 and Dec 6, [4] for the release of the crew of the USAF plane and the return of the aircraft. *End.*

---

[1] Repeated to Moscow. Drafted by McKisson (EUR/EE), cleared by Barbour (EUR/EE) and in draft by the Air Force, and signed for the Secretary by Bonbright.

[2] Neither printed. Regarding the Hungarian note of December 11, see Bonbright's memorandum, *supra*.

[3] Regarding the Hungarian note of December 3, see *supra*.

[4] Regarding the U.S. protests cited here, see *supra*.

After delivering above note Hung FonOff, and in absence immed favorable response, you shld make firm oral statement along fol lines, emphasizing that ur remarks are made on instrs ur govt:

(1) You shld state that US Govt cannot in any circumstances accept demand by Hung Govt for punishment "persons responsible" for violation Hung border allegedly "premeditated" but in fact clearly accidental and wholly unintentional. You shld then refer to Berei's oral statement Dec 11 [5] to effect that Hung Govt prepared discuss US request for release crew and return plane when satis reply received Hung demands. You shld say that Hung Govt shld know, but if not shld take note herewith, that US Govt will not accept any such demands as condition negots, that it has nothing to negotiate, and that it will not submit to blackmail attempts at any time or in any form. You shld also call specific attn at this pt, however, to second sentence second para US note indicating that it is regular procedure for US auths to investigate circumstances such accidents.

(2) You shld remind Berei that US Govt has straightforwardly expressed its regrets re accidental violation Hung borders by USAF plane and that it is now incumbent upon Hung Govt to abide principles internatl law and accepted practices internatl comity by acting immed release plane crew, facilitate their repatriation, and return aircraft. You shld emphasize this connection that conduct Hung auths has not only been irregular re failure promptly respond US inquiries re fate plane and crew but also absolutely inexcusable re prolonged delay release plane and crew.

(3) You shld pause at this pt to observe Berei's reaction and hear his comments, if any, and then, without permitting him draw you into more specific statement or discussion US intentions, conclude that unless US requests are met without further delay Hung Govt must accept complete responsibility for situation thus created. [6]

Dept has not yet released press text US notes Dec 4 and Dec 6 and does not intend, for present at least, to do so or to release text foregoing note. Suggest you make no statements press and continue keep contact with press to minimum. Dept will attempt to handle from this end such publicity as may be necessary or advisable in light further developments.

ACHESON

---

[5] See *supra*.

[6] In telegram 424 from Budapest, December 18, Charge Abbott reported that he had delivered the note contained in the telegram printed here and had made the oral statement outlined here during a meeting with Berei on the afternoon of December 18. Berei told Abbott that the note would not contribute to a solution of the problem. With respect to Abbott's oral statement, Berei stated that he wished categorically on behalf of his government to reject the charge of blackmail. (711.5622/12-1851)

## No. 741

711.5622/12-2051: Telegram

*The Secretary of State to the Embassy in the Soviet Union* [1]

TOP SECRET WASHINGTON, December 20, 1951—6:39 p.m.

435. We are gravely concerned at implications and potential consequences of suggestion contained in Vishinsky's speech in Comite I on Dec 29 [2] to effect that Amer flyers forced down in Hung are spies and saboteurs and "he hopes that they will receive the attention of mil justice". It seems to us that if Sovs actually contemplate trying these men on espionage charges they may have seriously underestimated intensity of reaction thereto which will undoubtedly occur in this country and it is just possible that if they are made aware of risks involved they might consider further before embarking on such a dangerous course.

Accordingly pls see Gromyko earliest. Point out to him that US Govt is gravely concerned at developments in matter of this airplane and its crew. State that Sovs have no doubt satisfied themselves that plane was unarmed transport on innocent flight from Ger to Yugo with normal cargo and standard equipment and that it became lost apparently due to navigational error and was over Hung wholly inadvertently. While Sov action in forcing plane to land and detaining crew incommunicado for two weeks has been noted, US Govt has heretofore been negotiating with Hung Govt for return of crew and plane inasmuch as Hungs confirmed reports that plane and crew had eventually been turned over to them. It has been assumed that, despite irregularity of Sov and Hung failure to do so expeditiously, return of crew and plane wld be accomplished at an early date without introduction of further obstacles.

---

[1] Drafted by Barbour (EUR/EE), cleared by Bonbright (EUR), Bohlen (C), and Matthews (G), and personally signed by Secretary Acheson.

[2] Telegram 244 to Budapest, December 19, transmitted relevant excerpts from Foreign Minister Vishinsky's speech during a debate on December 19 in the UN General Assembly's First Committee:

"Inveighing against MSA as 'aggression against USSR' Vishinsky referred plane incident and said 'fliers were arrested and due attn was paid them by (Hung) frontier auths, and I hope that all due attn will be given them by mil justice forces'. Reiterated charges that overflight deliberate for purpose spying and added assertion fliers themselves were 'spies and saboteurs'. Also threatened 'if these flights continue, we shall take measures and you shall see what will happen' and boasted that US had to use spies and saboteurs 'because ur tanks cannot stand against our tanks; ur fighters cannot stand against ours'. In apparent slip of tongue, Vishinsky also asked 'Why was that plane over Sov territory' ". (711.5622/12-1951)

The debate was part of the consideration of the proposed Soviet agenda item of "Complaint of aggressive acts of the United States and its interference in the domestic affairs of other countries".

However Vishinsky's speech on Dec 19 in Comite I, which we can only assume was made in the heat of debate without mature consideration, has the gravest of implications not only in its effect on Hung auths but also because it has evoked the most adverse reaction from US public. If four innocent USAF flyers should, in fact, be brought to trial, Amer people will be incensed and their reaction will be literally incalculable. You should point out how harmful indeed reckless it is for Sov FonMin to take the line Mr. Vishinsky has, presumably in the heat of debate. We assume that the Sov Govt has the same interest as we have in reducing the serious tensions which already exist. Vishinsky's statement has grave implications to the contrary. However, we believe and hope that Sovs will use influence to bring about early release of flyers.

If Gromyko asks whether there is any threat implied in your presentation, you shld state that no threat is implied but rather our endeavor is to bring to the Sov Govt's urgent attention a situation which, particularly under present circumstances, we feel is a grave danger to all concerned.

We wld envisage your remarks along the foregoing line being set forth to Gromyko orally and wld not anticipate your making any written communication to him in matter. However, if you consider it desirable, there wld be no objection to your leaving with him an informal summary. Unless subsequent Sov action shld make it necessary, we do not plan to make any public statement in connection with approach.

ACHESON

---

## No. 742

711.5622/12-1851 Telegram

*The Secretary of State to the Embassy in the Soviet Union* [1]

TOP SECRET WASHINGTON, December 21, 1951—6:20 p.m.
PRIORITY NIACT

441. 1. Abbott telephoned noon today inform Dept urgently substance Hung FonOff reply US note Dec 18 (Budapest's 424 Dec 18 rptd Moscow 24 [2] and Dept 235 Dec 14 Budapest rptd Moscow 415 [3]). Hung note, after reiterating previous allegations and noting US refusal punish "persons responsible", states four flyers remand-

---

[1] Drafted by McKisson (EUR/EE), cleared by Bonbright (EUR), and signed for the Secretary by Barbour (EUR/EE). Also sent to Budapest.

[2] Not printed, but see footnote 6, Document 740.

[3] Document 740.

ed Hung court for trial charges premeditated violation Hung frontiers. Note has just been made public by Hungarian govt.

2. In view foregoing development, which increases gravity situation, Leg and Emb are requested act accordance fol instrs:

3. Leg Budapest: You shld call soonest Hung FonOff and state that US Govt, in light Vishinsky remarks before UN Pol Comite Dec 19 (Dept 244 Dec 19 to Budapest [4]) as well as initial Sov action in forcing down plane and placing crew and aircraft Hung custody, is urgently taking matter up Sov FonOff through Amemb Moscow and pointing out that continued detention USAF crew with Hung note Dec 21 and public announcement forthcoming trial flyers by Hung court are creating dangerous situation with extremely grave implications all concerned. You shld emphasize most emphatically along lines suggested para 2 Deptel 435 Dec 20 to Moscow [5] (being rptd Budapest immed fol tel) that US Govt wishes Hung Govt be fully aware of risks involved and to understand that people of US will regard action against flyers by Hung Govt as intolerable and that their reaction will be corresponding intensity. In conclusion, you shld state US Govt assumes in circumstances that Hung Govt will consider its further course with utmost care and expects the Hung auths will arrange release plane crew without further delay.

4. Emb Moscow: In presenting Gromyko considerations outlined Deptel 435 Dec 20, you shld call his attn specifically Hung note Dec 21 and public announcement Hung intention bring flyers trial as reckless steps which can only deepen gravity situation. You shld add that, in view this development, AmLeg Budapest, acting on instrs, has informed Hung FonOff US approach Sov Govt and has urged that Hung Govt release and return crew without further delay. You shld express in strongest terms hope US Govt that Sov Govt, in recognition grave dangers inherent this rapidly worsening situation, will bring its influence bear upon Hung auths for immed release and return crew and plane before matters deteriorate any further.

ACHESON

---

[4] Not printed, but see footnote 2, *supra*.

[5] *Supra*.

## No. 743

711.5622/12-2251: Telegram

*The Chargé in the Soviet Union (Cumming) to the Secretary of State*

TOP SECRET
NIACT

Moscow, December 22, 1951—6 p.m.

1076. Re Embtel 1068, Dec 22 [1] and Deptels 435 Dec 20 [2] and 441 Dec 21. [3] Dep FonMin Zorin recd me 1:30 p.m. today for half hour conversation. I cut initial amenities to bare minimum and opened by saying that while my instructions directed me to call on Gromyko because of gravity of matter which I was instructed to take up, matter was also very urgent one and therefore I was seeing him since no indication had been given me as to when Gromyko wld be available. I said that my govt had been gravely concerned at the implications of certain statements made by FonMin Vyshinsky in his speech on Dec 19 in GA Comite One [4] and that unfortunately events of past 24 hours had fully justified my govt's initial concern. I continued slowly and emphatically along lines set forth in ref Deptels. At end of my interview I left with him a summary of my remarks on plain paper reading as follows:

US Govt gravely concerned at whole course of developments in matter Amer airplane and crew which were forced down in Hung by Sov milit planes and detained by Sov, and later Hung auths. Sov Govt by now shld have been able to satisfy itself that plane was unarmed transport on innocent flight from Ger to Yugo with normal cargo and standard equipment; that it became lost apparently due navigational error and was over Hung wholly inadvertently. While action of Sov mil auths in forcing plane land and callously detaining crew incommunicado for 2 weeks had been noted, and Sov Govt cannot escape responsibility therefore, US Govt has therefore been negotiating with Hung Govt for return of crew and plane, inasmuch as Hung had confirmed reports that plane and crew had eventually been turned over to them. Despite irregularity of Sov and Hung failure to do so expeditiously, it had been assumed that return of crew and plane would be accomplished at early date without introduction of further obstacles.

However, Mr. Vyshinsky's speech Dec 19 in Comite One of GA which US Govt had assumed was made in heat of debate and with-

---

[1] Telegram 1068 reported that Gromyko, with whom Cumming had previously made an appointment, would not be available and Zorin would receive Cumming instead. (711.5622/12-2251)

[2] Document 741.

[3] *Supra.*

[4] See footnote 2, Document 741.

out mature consideration, has gravest implications not only in its effect on Hung auths, but also because it is already evoking most adverse reaction from people of US.

In note addressed to Amer Leg at Budapest on Dec 21, and in public statement of same date, Hung Govt announced its intention bring flyers to trial. This rash step can only increase seriousness of sit.

Amer Leg at Budapest, acting upon instructions, has informed Hung FonOff of fact that Amer Chargé d'Affaires in Moscow has instructed discuss this matter with act Min Fon Affairs of USSR. Leg at Budapest has further urged that Hung Govt release and return airplane and crew without further delay.

If 4 innocent USAF flyers shld in fact be brought to trial on basis of such preposterous allegations as have been made in their case Amer people will be incensed and their reaction will be literally incalculable. It is obvious how harmful, indeed reckless, it is for Min for Affairs of Sov UN to speak publicly as Mr. Vyshinsky has done.

US Govt assumes that Sov Govt shares its interest in reducing serious tensions which already exist. Sov Govt must surely recognize grave danger inherent in rapidly worsening sitn arising out of arrest and contnd detention 4 Amer flyers. US Govt hopes most earnestly that Sov Govt will bring its influence to bear on Hung auth for immed release and return of flyers and airplane before matters deteriorate any further.

I endeavored by my tone to convey to Zorin any flavor of language lost in translation. He listened intently and when I had concluded said he cld not quite understand why I had come to Sov FonOff since US was already discussing matter with Hung which had sovereignty over its own frontiers and responsibility for judging questions of violations these frontiers.

I reminded him that earlier in conversation I had stated that my govt had hoped that its negotiations with Hung Govt wld result in a satisfactory solution and release of the flyers and air plane. This hope had not materialized. Sov Govt was inextricably involved in the case: Sov mil aircraft had forced Amer plane to land and Sov FonMin speaking at Paris used language difficult to believe cld be used by FonMin of any country—language which I myself cld hardly believe except that it was fully confirmed by publication in Sov press—words that cld have served to incite Hung Govt to bring these men to trial. My govt because of these facts in addition to well known relationship between Sov and Hung Govts and our belief and hope that Sov Govt shares US desire to lessen tensions in this extremely difficult period had been moved to take the matter up with Sov Govt.

Zorin made usual snide Sov reply to effect my words did not conform to my govts actions; measures US Govt has taken with relation Sov Union and a series of other countries do not lead to lessening of tension; appraisal which I gave of aircrafts "actions" not in accordance with evidence revealed in investigations by Hung and Sov auths; US statements do not correspond with actuality; altho matter within competence of Hung Govt he wld bring matter to attention of Sov Govt.

I re-emphasized earnestness and seriousness with which my govt had instructed me to express its views especially re Amer public reaction which cld increase beyond calculation. Zorin said that especially in the present sitn the possibility of lessening tension rested with US Govt; matter cld have been resolved if US Govt had given Hung satisfactory reply and mentioned something about punishment. Taking him up on this last point I reiterated that flyers had been forced down by Sov auths and detained by Hung auths who recd them from Sovs as result of which they were now held for trial in presumably Hung court. My govt had already made clear facts of matter; it obviously cld not have agreed to punishing innocent men or in fact any man in absence of investigation of facts—this not in accord with Amer system.

When Zorin stated question was one for Hung courts and Hung laws and that "Sovs unlike some other govts do not interfere in internal affairs other states" I inquired if this preliminary observation of his meant Sov Govt was unwilling take any action in matter. Zorin contnd say he saw no basis on which Sov Govt cld interfere but repeated that my communication would be transmitted his govt within competence of which decision rested. I concluded by saying that I wld hold myself in readiness to recv Sov Govt's reply.

Conversation took place in calm but serious manner. I did not respond to one or two half hearted efforts on Zorin's part to lighten tone toward end.

Dept please repeat interested posts.

CUMMING

## No. 744

711.5622/1-452: Despatch

*The Chargé in Hungary (Abbott) to the Department of State*

[Extract]

SECRET BUDAPEST, January 4, 1952.

No. 405

Subject: Further Developments in the Case of the USAF Plane: From December 13 Through the Release of the Flyers on December 28, 1951. [1]

. . . . . .

On December 22, 1:50 p.m., the Legation received the Department's telegram of December 21 [2] containing instructions to Moscow and Budapest regarding an oral approach to the Hungarian and Soviet Governments. An appointment was obtained with considerable difficulty with Mr. Berei at 7 p.m. that evening and the statement, pointing out the "grave dangers inherent in this rapidly worsening situation", was read to him and an *Aide-Mémoire* left. The approach to the Soviet Government in Moscow had been made earlier the same afternoon. [3] The above *démarche* was reported to the Department in a telegram on December 22 and a despatch of December 24. [4]

In the evening of Sunday, December 23, a press correspondent telephoned to say that an MTI (Hungarian Telegraphic Agency) communiqué had been issued reporting the trial of the flyers by a military court and their sentence to a fine of 360,000 forints each or three months in jail. The plane and cargo were confiscated. Repeated telephone calls to the Foreign Office that evening produced no information other than that such a communiqué had actually been issued and that no responsible officer of the Foreign Office could be reached that evening. The next morning an appointment was finally obtained with Undersecretary Berei for 12:00. The Chargé was informed it would be impossible to obtain a copy of the court proceedings and sentence because of the holidays and the Undersecretary furnished little information that was helpful in enabling the Department to reach a decision as to whether the fine

---

[1] In despatch 345 from Budapest, December 12, Charge Abbott reviewed the evolution of the plane incident from November 19 through December 12. (711.5622/12-1251) Omitted portions of the despatch printed here summarized events and documents printed or described in the previous documents in this compilation.

[2] Telegram 441 to Moscow, the same as 249 to Budapest. Document 742.

[3] See telegram 1076 from Moscow, *supra*.

[4] Telegram 444, December 22, and despatch 387, December 24, both from Budapest. (711.5622/12-2251 and 12-2451)

should be paid and if so, what the procedure would be. Mr. Berei's general tone was that he was surprised that he had been bothered on a holiday in the absence of authority to pay the fines, and he intimated strongly that if such authority had been available, release of the flyers could have been promptly arranged. An account of this interview is contained in the Legation's telegram 452 of December 24. [5]

The Department's telegram of December 24 [5] authorizing payment of the fines was received in the Legation on December 25 at 1430. After continuous telephoning to the Foreign Office an appointment was finally arranged for 1900 with Dr. Sik, Chief of the Political Section and third ranking man in the Foreign Office, who had been present during the interview with Undersecretary Berei the day before. A note was delivered to Dr. Sik stating that the U.S. Government was prepared to pay the fines under assurance that satisfactory arrangements had been made for the prior or simultaneous release of the flyers and their departure from Hungary enroute to Vienna. The Chargé also had with him a signed letter to the Ministry of Finance requesting the transfer from the Surplus Property Credit of the required sum for the purpose of paying the fines, and a copy of this letter was delivered to Dr. Sik. The Chargé also had with him a signed Treasurer's Check for the required amount in dollars to be presented in case Dr. Sik stated that payment from the Surplus Property Credit was not acceptable.

However, Dr. Sik merely stated that he had no authority to make any decision and he could only endeavor to convey the note and remarks to the "competent authorities" if any could be found during the holiday period. Dr. Sik also said he had no authority to act on the Chargés urgent request to see the flyers that evening and to take to them the Christmas dinner which the Legation had prepared and waiting. A full account of this interview is contained in the Legation's telegram of December 25 and despatch of December 26. [6]

It was not possible to see any responsible official of the Foreign Office on December 26 in spite of repeated telephone calls to the duty officer. A telegram was despatched to the Department suggesting VOA publicity if the flyers were not released by 2 p.m. Washington time on Decmeber 27, the first working day following the Christmas holidays. This telegram was sent through British channels (direct radio to London) in view of the considerable delay which had been experienced in receiving and sending telegrams through normal channels. Late that evening the local UP corre-

[5] Not printed.
[6] Neither printed.

spondent telephoned to say that a UP despatch from Washington said that the Hungarian Legation there had announced that the flyers would be released on December 27.

On December 27 the Chargé was granted an appointment with Mr. Berei at 12 noon. At this exasperating interview Mr. Berei merely stated that the Legation's note of December 25 and the inquiries in connection therewith had been communicated to the competent authorities and that no decision had as yet been made regarding our offer to pay the fines. Mr. Berei was warned that the delay in effecting the release of the flyers was regarded very seriously by the U.S. Government and U.S. public opinion. At 9 p.m. that evening the Chief of Protocol called Mr. Abbott and stated that Mr. Berei would receive him at 10 a.m. on December 28 to furnish an answer to the Legation's proposals.

At the appointment on December 28, Undersecretary Berei handed the Chargé a note indicating that the court sentence provided for the expulsion of the flyers from Hungary after the fine had been paid, and furnishing details regarding the method of paying the fine. The transfer of funds from the Surplus Property Credit was not acceptable. The fines must be paid in forints into a postal checking account of the Ministry of Defense. Mr. Berei refused to state when the flyers would be expelled except that it would be the same day payment was made. Immediately following this interview inquiries were made at the Bank of Hungary and payment of the fine was completed at about 2 p.m. by cashing a Treasurer's Check in dollars for the required sum and transferring the proceeds to the required postal account. When informed of this, the Foreign Office stated that the men would be expelled at the Austro-Hungarian frontier station of Hegyeshalom (Route One to Vienna) at 4 p.m. that day. (See Legtel 458, December 28 [7].)

A note was then despatched to the Foreign Office stating that payment had been made under protest. The note also mentioned that no copy of the court proceedings and sentence had been received and requested such documents as soon as available. [8]

GEORGE M. ABBOTT

---

[7] Not printed.

[8] The U.S. flyers were released by Hungarian authorities at the Austrian-Hungarian frontier on the afternoon of December 28. Immediately upon their release, Secretary of State Acheson issued a statement to the press which reads in part as follows:

"The American people are rightfully indignant. Because we value the welfare of the individual above all else, we have paid the so-called 'fines'. But we have not paid willingly, and we state clearly, in order that there may be no misunderstanding of our attitude in the future, that our patience is not inexhaustible."

*Continued*

## No. 745

764.00/2-152

### *Summary of Political and Economic Developments in Hungary in 1951, Prepared in the Legation in Hungary* [1]

[Extracts]

CONFIDENTIAL BUDAPEST, February 1, 1952.

SUMMARY

The year 1951 was for Hungary a period of grim struggle to carry the crushing burden of the augmented Five Year Plan, marked by a steady decline in the standard of living, and tighter controls over all classes of people with rigorous suppression of any elements of resistance; all accompanied by a crescendo of propaganda designed to extract the last ounce of effort from the city and farm workers and create an atmosphere of continual crisis arising from the threats of the "imperialist warmongers" led by the United States.

While the great bulk of the people were sullenly resentful, little active spirit of resistance seemed to remain except among the land-holding peasants. These, without leaders or organization, appear helpless to avoid the eventual liquidation openly promised them. The organized resistance of the Catholic Church collapsed with the trial of Archbishop Grosz.

There were no important changes in the governmental organization or personnel. The year may be considered as one of consolidation in Party organization and control, marked by progress in the conversion of the Churches to state controlled organizations, the

---

Acheson also announced that the Hungarian Consulates in Cleveland and New York would be closed and that U.S. citizens would no longer be allowed to travel to Hungary. For text of the statement, see Department of State *Bulletin*, January 7, 1952, p. 7.

In a formal note of December 28, released to the press that same day, the Hungarian Legation was informed by the Department of State that the Hungarian Consulates in Cleveland and New York were to be closed by midnight December 31. For text of the note, see *ibid.*

[1] This paper, comprising 36 typewritten pages, was transmitted to the Department of State under cover of despatch 477 from Budapest, February 1, 1952. Together with the summary and conclusions printed here, it included the following sections: international political developments, domestic political developments, military developments, general economic situation, industry, agriculture, and foreign trade. Counselor of Legation Abbott prepared the summary and conclusions; Attaché William H. Balasz prepared the political sections; and Second Secretary Seymour M. Finger prepared the economic sections.

deportation from the chief cities of the remnants of the bourgeoisie, the reorganization of the city and county governments along Soviet lines, and the reorganization of the youth movement.

In the economic sphere, the fulfillment of the Plan was claimed and considerable increases in production over 1950 were undoubtedly achieved, but it is obvious that serious failings occurred, particularly in coal mining, investment and recruit of manpower. Ideal weather produced bumper crops which eased the food situation during the latter months although crop collection remained a problem.

Foreign relations strictly followed Soviet directives and policies with greatest emphasis on the various ramifications of the World Peace Movement. Relations with the United States eased somewhat with the release of Vogeler in April, but took a new slump with the Grosz trial and the expulsion of several members of the Legation staff in June. Another brief honeymoon ended with the Soviet inspired uproar over the MSA appropriation featured by the publication of the Hungarian White Book. This happened to coincide with the seizure of the American Army plane and crew, the repercussions of which left relations at the year's end at an all-time low.

## I. INTERNATIONAL POLITICAL DEVELOPMENTS

### *A. United States*

As the year 1951 drew to a close, the United States' already poor relations with the Hungarian People's Republic hit an all-time low. In direct answer to the Hungarian Government's preposterous trial of four United States airmen, the United States Government, on December 28, 1951, ordered for the second time in 23 months the immediate closing of Hungarian Consulates in Cleveland and New York, and invalidated passports of private citizens for travel to Hungary. In the heat of abuse hurled at the United States during 1951 by the Hungarian press, radio and official comment, the Hungarians accused the United States of fomenting an insurrection; using diplomatic establishments as espionage centers; enacting legislation to legalize the recruitment, training and despatch of "diversionists" and saboteurs against people's democracies. To substantiate its allegations, the Hungarian Government expelled three U.S. Legation personnel as an outcome of the Grosz trial which "unmasked" a Legation-directed conspiracy; issued a "White Book" [2] which attempted to prove the United States' interference in Hungary's domestic affairs "beyond the shadow of a doubt;" staged a farcical and painfully humiliating "court-martial" of the

[2] The "White Book" referred to here is the same as the *Hungarian White Book*.

four U.S. airmen who accidentally landed in Hungary, and demanded $120,000 ransom for their freedom. At the same time the Hungarian Government engaged the United States Government in an exchange of formal correspondence in vitriolic language unprecedented in the annals of peace-time diplomatic usage.

1. *Vogeler Case*

The single positive element, if it may be called such in United States-Hungarian relations during 1951 was the release of American businessman Robert Vogeler from his 15 year prison sentence on April 28, 1951, although the Vogeler case had plagued U.S.-Hungarian relations as the number one sore point since November 1949. The chief concessions for Vogeler's release have already been canceled in reprisal for the inhumane treatment of the four U.S. airmen. The United States has closed anew the Hungarian Consulates in the United States, invalidated American passports for private travel to Hungary, and commenced using Munich as a transmitting relay station for Hungarian language VOA broadcasts. By the final conditions of Vogeler's release, the Hungarians were permitted to send a Mission to the American Zone of Germany to arrange for the restitution of Hungarian property "declared available for restitution." They were much dissatisfied with the property available and in a series of notes charged the American Government with the violation of the agreement. As far as the United States is concerned, the work accomplished by the Hungarian restitution mission in Germany during the summer of 1951 settled the Hungarian claims. There is no restitutable noncultural war booty belonging to the Hungarian Government in our zone of Germany.

2. *Closing of the USIE Library*

Upon the release of Vogeler, the Legation experienced a brief honeymoon which had the surface appearance of good relations with the Hungarian Government; even the charges of non-observance of the restitution terms failed to be more than momentary distractions. However, this period was shortlived. On June 19, 1951, a Bill of Indictment, drawn up against Archbishop Joszef Grosz, Head of the Catholic Church in Hungary, and eight others including Alajos Pongracz, a USIE local employee who was arrested in March 1951, charged the defendents with conspiracy, sabotage and other crimes of violence. At the public trial to which it was necessary to have tickets, the prosecution implicated certain U.S. Legation Officers as fomenters of the "abortive rebellion" and recipients of political, cultural and military information. Archbishop Grosz and his codefendants confessed their guilt and identified various Americans as abetting their "anti-state" activities. The burlesque trial was designed to demoralize the Bench of Bishops, to end the Catholic Church's organized resistance to communism, to liquidate

the USIE Library, which was already operating on borrowed time (Legation Despatch 553, February 2, 1951, enclosure page 13 [3]), and to hamper the Legation's activities even further. FSO Albert W. Sherer, Jr., Second Secretary; Attaché Ruth Tryon, Information Officer; and FSS Mary Eich were declared *personae non gratae* July 5, 1951, and ordered to leave the country within 24 hours. The United States Government vigorously rejected all accusations brought against the Legation, and retaliated for the expulsions by declaring the presence of two Hungarian Legation personnel in Washington as "no longer agreeable." Excepting the flyers' trial, which can hardly be termed as espionage trial in traditional Iron Curtain style, there have been no other trials in Hungary during the reporting period which involved Americans; it would appear that the Hungarians are lagging behind their satellite neighbors, where on the average an anti-United States trial-spectacle is staged every six to eight weeks. Perhaps the need for "bread and circus" is greater in those countries.

3. *Mutual Security Act Controversy*

For approximately one month after the Grosz trial, the Hungarian Press thundered against the Legation, its personnel, and diplomatic establishments of the United States the world over, particularly in "peoples democracies," fumed that these installations were "spy centers" whose personnel were carefully selected so as to be prepared to carry out acts of espionage and sabotage against "peaceful" democracies. A recapitulation of these allegations and a host of earlier charges appeared in a thirteen page Declaration delivered to Foreign Missions and the press on November 24 [4] and the White Book, which appeared in English, French and Russian on December 6. The Declaration, a condensed pilot model of the White Book, lists U.S. "criminal acts of aggression" against Hungary and "interference" with Hungary's domestic affairs, which include U.S. refusal to extradite war criminals, fulfill restitution agreements, admit Hungary to United Nations membership, U.S. "sponsorship" of VOA and RFE activities, and "recruitment" of "fascist" refugees in West Germany to be sent "to overthrow" Hungarian democracy. The Declaration and the White Book were obviously designed to provide Soviet Foreign Minister Andrei Vishinsky with "ammunition" in his attack at the December UN session on the 100 million dollar appropriation clause of the Mutual Security Act of 1951. These two documents were also designed by the Hungarians to undercut the effect of the United States' Human

[3] Not printed.

[4] For text of the declaration (or statement) under reference here, see *Hungarian White Book*, pp. 315–323.

Rights Violation Petition. Following the pattern set by Moscow and in similar language, the Hungarian Government formally protested the promulgation of the MSA in a note of December 1. The United States replied on December 29 by dismissing the note as a Moscow-inspired document and forwarding a copy of the note sent to the Soviet Government December 19 in answer to the Soviet note of protest.

4. *The Four Flyers*

Four U.S. airmen who wandered off their course while flying to Belgrade from Munich in a C–47 were forced down in Hungary November 19, and detained in solitary confinement for thirty-nine days, first by the Soviets, later by the Hungarians. The unfortunate timing of this event further encouraged the satellite case against MSA. Fortified with the presence of four U.S. flyers borne to Hungary on a magic carpet, so to speak, unwittingly to serve the cause of communist propagandists, Moscow and Budapest exploited the affair to the utmost by associating the airmen and their paraphernalia with "diversionist" activities "chartered" under the MSA. (For the details of the airmen's imprisonment and trial see Weekas 49, 50, 51, 52. [5]) After a hopeless series of notes demanding the airmen's and plane's release, the United States Government made a very strong *démarche* in Moscow and Budapest on December 22. The Hungarians rushed through a quick "court-martial" for them on December 23, abandoning the charge of espionage and sentencing them only for violation of the Hungarian Frontier. The men were each given a 360,000 forints fine or a choice of three months each in jail. The United States Government paid the fine-ransom, under protest, and obtained the men's expulsion from Hungary on December 28. The Legation informed the Hungarians of its willingness to pay on December 25, but had been forced to wait on the grounds that no "competent authorities" were available over the extended Christmas holidays. The reprisals for the plane affair have already been described. The Legation's effort to obtain a transcript of the trial proceedings has been unrewarded. The Department is preparing a formal charge against Hungary with regard to its conduct in the plane affair.

5. *New U.S. Minister to Hungary*

Christian Magelsson Ravndal arrived in Budapest December 20 to assume charge of the Legation. He succeeds Nathanial P. Davis who left Budapest May 18 and resigned from the service while on home leave.

---

[5] None printed.

6. *Travel Restrictions*

On January 19, the Hungarian Government informed the Legation that effective January 22, "all foreign nationals who are on duty at diplomatic missions" would be obliged to obtain permits to travel beyond a thirty kilometer radius from the center of Budapest. The Hungarian press took up the cry that this measure would curtail the "chief hobby," collecting intelligence, of certain Western missions. The United States Government reciprocated this "inconvenience" by limiting the Hungarians to within 18 miles of Washington. Travel permits have very rarely been granted for interior travel in Hungary. However, all requests for necessary documentation to transit Hungary in the direction of Vienna or Belgrade were quickly honored. Other Western Legations have met with similar or even stricter treatment.

7. *Miscellaneous*

Other events of 1951 which had bearing on U.S.-Hungarian relations were: the arrest of three Legation employees, Istvan Szecsi (January 19); Alajos Pongracz (March 24); Otto Fernbach (April 17); and the deportation of Frederick Karg (July). The Legation protested these incidents in vain as the Foreign Office had not bothered to forward any explanations. The stabbing of Miss Ida Gyulai, Counselor of the Hungarian Legation in Washington on January 10 was denounced as "provocatory" by the Hungarian Government, although the act was committed by a demented Hungarian awaiting return to Hungary. On February 24 a single engine Yak training plane bellylanded in the U.S. Zone of Germany. Its crew of two requested and was given asylum in Germany. The United States served notice of its intention to abrogate the Consular and Commercial Treaty of 1925 on July 5, 1951, unless the Hungarian Government would agree to cancel the Treaty's "most favored nation" clause, which they refused to do. They capitalized on this action as further evidence of U.S. hostility.

*E. Trade and Economic Relations with the United States*

1. *Trade Relations*

United States exports to Hungary were insignificant; incomplete data available to the Legation indicate that they were about $300,000 in the first six months of 1951. This low figure was due to United States export controls on strategic items and to Hungarian Government reluctance to spend dollars on anything but strategic items.

According to the Legation's invoice records, Hungarian exports to the United States increased to $1,737,567, compared to $1,484,574, in 1950, and $1,432,966 in 1949. Bed feathers remained the most important item, accounting for about half the total. The

next most important export was seeds, which rose to $324,765, compared to $201,129 in 1950. Sales of basketware and wearing apparel to the United States also increased significantly.

A United States note of July 5 requesting termination of Article VII (most-favored-nation clause) of the 1925 commercial and consular treaty between the two countries was rejected on August 25 by the Hungarian Government and angrily denounced in the officially-inspired press. American export controls were the principal object of press attacks, suggesting that Hungary is experiencing a shortage of the strategic materials affected thereby. Since the Hungarian Government refused to consider nullification of the most-favored-nation clause, the entire treaty will be terminated on July 5, 1952; however, the effect on Hungarian exports will be negligible.

More important than exports in procuring United States currency were charitable dollar remittances. The American Joint Distribution Committee spent between two and three million dollars and Hungarian Government hard currency receipts from "Ikka" gift parcels probably exceeded half a million dollars. *These dollars were essential to Hungary in buying strategic goods from Switzerland, Belgium and Lebanon as well as from various illegal sources.*

2. *Restitution*

As part of the agreement for the release of Robert Vogeler in April 1951, the United States agreed to facilitate the delivery of all Hungarian goods in the United States Zone of Germany which had been found available for restitution. The shipment of all such goods was completed and receipts signed on July 27, 1951. The Hungarian Government has continued to protest that the goods restituted constitute only a fraction of what Hungary should have received, but the protests now appear to be motivated principally by propaganda aims and as a means of keeping a possible bargaining weapon against any future United States claims.

### III. CONCLUSIONS AND TRENDS

An analysis of the past year's events and developments shows the following general trends, most of which are not new but merely a continuation of those apparent in recent years:

1. Foreign relations were marked by complete subservience to the policies and interests of the Soviet Union. This may be expected to continue and be intensified during the coming year. There is thus no point in speculation by this Legation as to the future course of Hungarian relations with the United States (or any other country). The decision will be made in Moscow.

2. Nearly every phase of internal political, economic, social, religious and cultural activity showed a trend towards closer assimilation to the Soviet model which can be expected to continue until complete alignment is achieved. One exception was the slowing-up

late in the year in collectivization of the land. How long this will last will also depend on Moscow, but it would appear that the necessity of continuing maximum production will insure putting off the final battle with the peasants with the temporary disruption which the Soviet Union knows so well will be a result.

3. The decline in the standard of living which has been an inevitable result of the exaggerated industrialization continued during the year, can be expected to be accentuated in 1952 since the Hungarian economic authorities admit that much of the enormous capital investment planned for this year will not produce any results until following years. Part of this lowering of the standard of living cannot be avoided under present economic policies, but part is believed to be a deliberate plan to reduce Hungarian standards to those of the Soviet people. Hungary may thus benefit by any improvement in the USSR.

4. The increase in the overall level of production continued in 1951, but it is becoming increasingly difficult to maintain the rate of increase and a crisis may occur in 1952 unless more Soviet assistance is offered—or there is less Soviet drain on the economy. Crop weather may play a decisive role; a poor harvest would bring certain crisis.

5. While resistance to the regime from the Church, bourgeoisie and intelligentsia declined during the year under review for reasons explained in the main body of this report, there was considerable evidence that opposition among the workers and peasants actually increased. This does not mean that there was any important organized resistance or acts of sabotage. It took the form of underlying non-cooperation which at certain times and in certain places amounted to a slow-down strike accompanied by sharp drops in the quality of work. While the causes for and inclination towards this type of noncooperation will certainly exist in the coming year, it is feared that the government's measures to combat it will also be stronger. Thus, sterner measures to insure "labor discipline" are already being enforced, and crop collection measures have been made more stringent.

# POLAND

## PRINCIPAL POLICIES AND PROBLEMS IN RELATIONS WITH POLAND [1]

## No. 746

740.5/2-2051: Airgram

*The Acting Secretary of State to the Embassy in the United Kingdom* [2]

TOP SECRET AIR PRIORITY WASHINGTON, March 10, 1951.

A-1615. Re Depto 536, Feb 20. [3]

I. Chief features of Polish situation are:

1. Creation of a machinery of Soviet control making regime as currently constituted adequate to anticipate and respond to Soviet requirements; distinguished by (a) early and continuous attack (since mid-1948) on the strong national Communist tendency through purge of Gomulka-type Communist leaders, (b) placement numerous Soviet nationals in key posts of Government, Party, Armed Forces and Police, and (c) presence of estimated 55,000 Soviet troops in Poland.

2. Steady improvement in reliability and professional competence of Armed Forces through restriction of highest command positions to Soviet officers, presence of estimated 2-3,000 Soviet officers as instructors and aides, purge of non-Communist from officers corps and revamped, accelerated program of political indoctrination.

3. Military expansion to estimated 180,000 in Polish ground forces with significant quantities of Soviet tanks, vehicles and heavy guns; Air Force is reportedly now receiving Soviet jet fighter aircraft. While overall military strength, competence and esprit have not reached Bulgarian attainment, Polish military capabilities would probably permit effective use of Polish units against Germany or in Balkans.

4. Forced advance of Polish economy along course of rapid industrialization for purpose of building heavy industry workshop in Poland as integral part of total power of Soviet Communism. Great effort is being made to achieve 6-Year Plan (1950-1955) revised upward at Soviet insistence; but in spite of Moscow's provision of

---

[1] For previous documentation on Poland, see *Foreign Relations*, 1950, vol. IV, pp. 1027 ff.

[2] Drafted by Vedeler and Dillon of EUR/EE and by Tims of DRS; cleared with Barnard of EUR, Wolf of RA, and Cox and Calhoun of GPA; and signed for Acting Secretary Webb by Bonbright.

[3] Not printed, but see footnote 2, Document 617.

considerable industrial equipment on credit, this exertion is prolonging and intensifying existing strains on manpower, living standards and even raw materials. Mining, metallurgical, chemical and, to lesser extent, textile, as well as merchant marine industries have significant role in this Soviet-bloc planning. Proportion of Polish trade with remainder of Soviet bloc steady increases. Farm collectivization, now extending only to about 3 percent of the peasantry, is being pressed against universal but passive opposition of villages.

5. Effective liquidation of anti-Communist underground, except for passive skeletal remnants; Roman Catholic Church, while under constant pressure and growing restriction, remains only substantially intact anti-Communist organization. With gradual elimination of educational and social activities of Church, influence of Communist indoctrination on youth is perceptible. Adult population for most part hopes for liberation through war but morale is depressed by present physical conditions of existence, sense of personal insecurity, fears of a revived Germany and doubts concerning policy of West toward Germany.

6. Vulnerabilities arising from traditional Polish hatred of Russia and Communism, nationalist opposition to Soviet imperialism and unreliability of majority of Communist Party members. Although successful Titoist movement virtually precluded under present circumstances, vulnerabilities would, in event of general war, make possible large-scale underground that could tie down considerable number of Soviet security forces, and might even render Poland a military liability to USSR.

II. US policy toward Poland is to:

1. Cooperate with other Western countries in the creation of conditions making possible the establishment of an independent, democratic state and development of free institutions.

2. Support and stimulate unlimited psychological resistance to international Communism as a system, nationalist resentment against Soviet imperialism . . . .

3. Place increasing reliance on information media, particularly Polish language broadcasts, to counteract and combat Soviet Communism in Poland as normal contacts with Polish people are systematically eliminated by regime.

4. Keeps Poles aware of their Western cultural heritage and otherwise endeavor to conserve to greatest possible degree under existing conditions their spiritual ties with West.

5. Sustain Polish people by repeated expression of our sympathetic concern for their welfare under present hardships and by indication of significance of developing Western policy, strength and unity.

6. Maintain a diplomatic mission at Warsaw, in view of important services it can still perform at this critical time in spite of growing restrictions on operations, so long as it is possible to continue diplomatic relations without suffering intolerable indignities; resist harassment of US official personnel at Warsaw and seek protection of Embassy by reciprocal treatment in every feasible respect of Polish official personnel in US.

7. Encourage activities, especially efforts toward achieving unity, of Polish exile organizations as providing a focus of hope for the oppressed Polish people and a rallying center for a free and democratic Poland; assist survival of intellectual leaders in exile as asset for future and utilize their knowledge in combating Communism in Poland.

8. Keep constantly in mind in our policy toward Germany the permanent interests of the Polish people, recognizing that the needs of both Poland and Germany, as well as those of Europe as a whole, must be taken into account in the final settlement of the problem of the boundary between the two countries; make clear to Polish people by our information media that US policy is not designed to encourage the re-emergence of an aggressive, militaristic Germany, but rather the integration of German capabilities with those of other European states in the interests of a free, democratic Europe as a whole.

9. Seek to limit Polish contribution to war potential of Soviet bloc by strict export controls, yet not interfere with Polish exports (particularly coal, timber products and food supplies) which might improve relative military-economic advantage of Western European countries as against Soviet bloc.

10. Favor restriction of civil air service from Poland to Western countries in accordance with our bilateral understandings with many NATO countries concerning the containment of Soviet bloc civil aviation.

III. Proposals section 3 Deptel 4000, March 2, [4] also hold for Poland and cooperation of NATO countries if anything even more desirable in this case. To this may be added need for continuing coordination among NATO countries in:

1. Maintenance of line of communications with Western diplomatic missions in Poland as by RAF courier flights.

2. Implementation of agreed civil aviation policy toward Poland.

WEBB

[4] Document 617.

## No. 747

611.48/3-1951: Despatch

*The Ambassador in Poland (Flack) to the Department of State*

SECRET WARSAW, March 19, 1951.

No. 539

Ref: Department's Instruction Dated December 15, 1950 [1]

[1] The Department of State Policy Statement on Poland, dated November 27, 1950 (*Foreign Relations*, 1950, vol. IV, p. 1040) was transmitted to the Embassy in Warsaw under cover of an instruction of December 15, 1950.

Subject: Comments on Revised Policy Statement on Poland Dated November 27, 1950

In compliance with the final paragraph of the Instruction above cited, I furnish below my comments and recommendations with regard to the revised policy statement on Poland of November 27, 1950. I consider the statement to be a most useful document which evidences careful thought and preparation.

*Comments and Recommendations*

A. *Objectives*

I am in agreement with the policy objectives as stated, both long-range and immediate. I feel that the presence of the Embassy Chancery situated in a prominent place in Warsaw, on its principal avenue, having as neighbors on this avenue the Chanceries of the diplomatic missions of most of the other great powers of the Western world, is an important aspect of the stated policy of keeping the Polish people aware of our intention of not abandoning them and of our continuing concern for their welfare. For us to be obliged to move our Chancery away from this avenue would be a distinct loss to this aspect.

The presence of a United States diplomatic mission in Warsaw is further accentuated by the constant display of our flag on the Chancery premises on the principal avenue in Warsaw, a practice which other Western powers likewise follow. Our flag is thus displayed for all who pass by to see, and I feel that any change in the location of our Chancery which would necessitate the removal of our flag to a less prominent place in Warsaw would be detrimental to our interests.

Our presence in Warsaw is further demonstrated daily to the Polish people by the display of the United States flag over the entrance of the Ambassador's residence and on the right fender of the car of the Chief of Mission. The display of the flag, especially on the car, attracts considerable attention and is a constant reminder to Poles in all parts of Warsaw who see it daily that the United States still has a diplomatic representative in their capital. In recent despatches, our Chiefs of Mission at Prague and Budapest (Prague's despatch to the Department No. 109 dated October 30, 1950, [2] and Budapest's despatch to Department No. 456 dated December 20, 1950 [3]) have recorded similar opinions with regard to

[2] Not printed.

[3] See *Foreign Relations*, 1950, vol. IV, p. 1022.

the prominent display of our flag in those capitals on our Government buildings and on the automobile of the Chief of Mission. They likewise have recorded their impression that the location of the Chancery in a prominent place in the capital is an important factor, keeping the general public constantly aware of our continued presence.

I feel that the maintenance of our diplomatic mission in Poland is of major importance in our general policy, and, although harassments increase from time to time, I do not feel that such annoyances should be allowed to interfere with the continuance of our mission on its present minimum basis unless it should become impossible for the mission to operate because of inability to communicate by courier, telegraph and mail with the Department.

Concerning our economic policy, I feel, as the Embassy has previously recommended, that the United States might usefully give consideration to assisting neighboring countries to ease their bargaining position, particularly in coal supplies, in the event that Poland's position as a leading supplier of necessary coal continues to be employed against them as a lever to siphon off strategic materials for eventual Soviet military use.

B. *Policies*

I am in full agreement with the statement that Soviet controls under which Poland operates have been intensified and are being progressively developed to bring Poland more within the Soviet orbit. Edward Ochab, secretary of the dominant PZPR (Polish United Workers Party) Central Committee, recently stated in a published article (March 14, 1951) that "in the fight (to liquidate the remnants of the old exploiting classes) the moral-political unity of the Polish nation will crystallize during the struggle, *just as it has already crystallized in the Soviet Union.*" Accordingly, the conclusion drawn by the Department that our policy toward Poland is increasingly viewed as an aspect of United States relations with the Soviet bloc as a whole seems to me well founded and is based on a relationship of increasing Soviet domination of life in Poland.

History has illustrated the fact that the Poles are impulsive and have been quick at times to adopt rash action in their quests for independence or self-assertion. This aspect is now watched and feared by the present Communist leaders of Poland, and they are particularly alert to developments in Korea and elsewhere which favor the Western powers and which consequently might serve to stimulate resistance or diversion within Poland itself. At the same time, continuation of our diplomatic mission here, even under adverse conditions, demonstrates to the Polish public our sympathy for the Polish people, especially since direct contact with unofficial Poles is likely to entail for them arrest, heavy jail sentences or

worse for their personal association with Westerners as well as public charges of espionage against members of foreign missions who have had or who may be suspected of such contacts.

I am in complete agreement with the view that stimulation of overt Polish resistance should be avoided as costly and futile. However, the Polish people in general are believed to cherish as their only hope of regained national independence, the possibility of a world war, following which Poland, with some luck, they think, might again emerge as a completely free and independent state.

I feel that our most effective attempts to encourage nationalist opposition to Soviet domination are to be found in our publicity programs such as VOA and the distribution of the USA Polish language bulletin once a week to all Ministries of the Government here, as well as the furnishing to many officials of the Polish Government the daily news bulletin in English, American newspapers and weekly periodicals, which we have learned are read with avidity even though perhaps rarely with acceptance of our point of view.

I have felt that it is desirable to extend as far as possible my own acquaintance with Polish officials in the Foreign Office and in other Ministries to provide a basis for an exchange of ideas in the facilitating of at least some routine matters. Although my progress has not been great in this regard, it is my intention to continue it assiduously and to employ such contacts, when feasible and without individual antagonism, to make known our viewpoints and to facilitate our operations, including occupation of adequate Chancery quarters in the light of our policy.

Although some former members of the Polish Government, such as Gomulka, have been known for their distrust of Soviet tutelage, such persons are now sharply criticized in public accusations by members of the Government and may, although they are probably not very numerous, at any moment become the objects of sensational trials. In recent months a purge has been going on within official circles to weed out those considered politically unreliable, so that with the passage of time those who have demonstrated any disaffection presumably will be ousted from their official positions, with little remaining chance of earning a livelihood.

The recent elevation of Dr. Stanislaw Skrzeszewski from the position of Undersecretary in the Foreign Office to replace ailing Foreign Minister Zygmunt Modzelewski would appear to increase our opportunities for accessibility to the head of that Ministry, since the new incumbent, though known to be an old Communist, has shown himself affable and accessible in his contacts with me in his former capacity.

The noted decline in Embassy contacts with the Polish clergy has continued and at present is practically nonexistent due to the increasing risk involved on the side of the clergy, as expressed by them, and in some instances for necessary precautionary reasons affecting our personnel. However, I agree that assistance to efforts of the Church in its opposition to Communism should be continued in such ways as may be feasible.

The influence of Polish *émigrés* on the situation in Poland is considered to be practically nil because they are regarded by the postwar populace as having followed the course of least resistance in going abroad and as being unacquainted with and unseasoned by events which have transpired in Poland since their departure. However, they and their organizations may serve to form abroad a focal point for thinking and keeping alive a resistance sentiment outside of the Soviet orbit, which at some future time might become a more fruitful nucleus if the march of events eventually eased or changed the internal situation.

On the question of United States policy toward Germany and the question of re-emergence of a militaristic Germany, Poland is extremely sensitive. This is due not only to Poland's deep-seated fear of German motives, but also to the bitter experiences which almost every Pole suffered during the German invasion and occupation following the sudden attack by the Nazis in 1939. This feeling is based not only on the loss of relatives, friends and property at the hands of the Germans, but also on personal suffering and imprisonment inflicted by them. These feelings are very fresh in Poland and are daily reminders to its people of many bitter years. There is also a feeling of some gratitude toward the Soviets for having "freed" many Poles from German concentration camps, which in some matters may have diminished historical dislike of the Russians.

Propaganda emanating from Soviet Russia has therefore encountered only too ready seconders in Poland prepared to associate every action by the United States which might bring Germany again into the fold of nations as a gesture of preparation of aggression against Poland. While this propaganda is unceasingly exploited by Moscow, I reiterate that on such fertile soil of fear and hatred against Germany it requires no particular skill; and before coming to Poland, I was informed by a high official in the French Foreign Office that here was one point of foreign policy on which Poland needed no prodding by the Soviets, since her own fear and hatred of the Germans caused her to see eye to eye with the Soviet mind and propaganda on this question.

Although Poland occupies an extremely precarious geographic position between two of continental Europe's great forces and has been unilaterally recompensed by the Soviets in their declaration

of a revision of Germany's eastern frontiers in favor of Poland, it is apparent that retention of this territory by Poland depends on Soviet protection and policy. It has been presented to Poland as a final Western boundary, and consequently any propaganda concerning the so-called Oder–Neisse line to the detriment of Poland's administration would encounter the bitterest natural opposition in Poland. However, should the Soviets at some future time decide to alter their views about the administration of this territory and for their own reasons decide to permit it to revert to Germany, this too would certainly arouse the strongest Polish opposition and perhaps could be accomplished only through the exercise of considerable military force by the Soviets. At the same time, such an aggrandizement of Germany would incite the Poles to old and new apprehensions, which, on historical grounds, would seem to be entirely justified.

Since Poland is bounded by two such powerful forces, her future national and geographical integrity would seem to have their best chances of survival in the protection of a strong United Nations able to safeguard her against either. Unfortunately, at present the United Nations is in strong disfavor in Poland under the tutelage of her master, the archopponent of the United Nations.

C. *Relations with Other States*

There has been no essential change in Poland's relations with other states except the recent intensive efforts on Poland's part to rouse sympathetic reaction in Belgium with regard to Western rearmament and mutual suffering at the hands of the Germans in previous wars. This effort has been highlighted by the recent visit of a group of members of the Polish Sejm (national legislative body) to repay the visit to Poland of Belgian members of Parliament made some three years ago. As a result, allusions have been made in the press to the "revival of the old friendship between both nations and the establishment of new relations in the cultural and economic spheres." This appears to point to a belief on the part of the Polish Government that Belgium may be a fertile field for propaganda. In any case, it seems to be a major attempt to try to drive a wedge between Belgium and the West.

Another development of international political significance was the holding of the so-called World Peace Congress in Warsaw last November,[4] attended by some 1,600 delegates of various nations of the world, including the United States. This Congress, completely dominated by Communism and by Russian influence, created the Communist-dominated World Peace Council, which recently met in

[4] Regarding this congress, see telegram 1082, November 24, 1950, *Foreign Relations*, 1950, vol. IV, p. 331.

Berlin, and which is an instrument for the dissemination of the Soviet peace propaganda campaign inaugurated by the Stockholm Peace Appeal, innocently signed by prominent people, among others, unaware of its real import.

However, it has become more evident that General Rokossowski's assumption of his various duties here, including that of Minister of Defense as well as a member of the Politburo of the Communist Party, has indeed given a new impetus to an acceleration of the elimination of nationalistic elements from Party leadership as well as intensifying the drive for collectivization, industrialization, nationalization and the Six-Year Plan in the economic field. Soviet Russia's interest in the rapid development of industry in predominantly agricultural Poland is demonstrated by its sponsorship of the proposed new steel mill at Katowice, for which Russia is to supply the equipment and which is intended to serve as a beacon of the Polish Six-Year Plan.

Likewise, in the military field increasing Soviet influence is evidenced in the Polish Navy and Air Force, which are believed now to be headed by Russian officers. Furthermore, Russian personnel are believed to be infiltrating to a considerable extent into the ranks of the Polish Army, evidencing once more the apparent Soviet lack of confidence with regard to Poland and its military capacity.

D. *Policy Evaluation*

Although, as mentioned above, difficulties in connection with the functioning of the diplomatic mission here increase with the passage of time, as yet freedom of movement of foreign diplomats about Poland has not been restricted as in some of the Balkan countries. There has been an increase to some extent in police intimidation of patrons of the USIS library and theater. In dealing with these situations, the Embassy has sought to avoid any situation which would precipitate the necessity for withdrawal of the mission, since we all agree that every endeavor should be made to keep observers in this important area as long as possible. Although the voluntary reduction in staff undertaken in accordance with the Department's instructions in 1950 has literally pared our activities to the bone, the Embassy does carry out the following functions:

(1) It includes Service Attachés of the Army, Navy and Air Force and their clerical personnel.

(2) It includes the USIS library, theater and information service which distributes material to a worthwhile audience and list of receivers.

(3) It reports on external and internal political developments, including the development of Communist Party philosophy and activity in Poland.

(4) It analyzes and reports on the internal economic situation, as well as Poland's economic relations with other countries, and the relationship of economic trends in Poland to the system prevailing in the Soviet Union. In particular, special attention has been given to reporting on the international coal situation during the past winter, with recommendations concerning Polish representation in ECE at Geneva, the Embassy's view being that ECE provides a meeting and contact opportunity with the Polish delegation along with the possibility of obtaining certain useful information therefrom.

(5) In order to enable smooth functioning of the Embassy's operations, it maintains an effective administrative section, as well as a consular section to deal with consular work.

(6) It maintains official contact with officials in the Polish Foreign Office and to a lesser extent in some other Ministries with regard to routine matters and special cases which require the Embassy's action.

(7) It also maintains extensive contact with members of the Western diplomatic missions.

In the light of the foregoing, I feel that the reference to the "tendency of relations to become little more than consular establishment" is perhaps too narrow, although I am one of the first to admit that in Poland official contacts and ability to associate on a free and personal basis with the Chief of State and Cabinet officers, as is the case in many American Republics and some other countries, are on a different plane here in Warsaw. However, I have never admitted to myself that this plane is completely circumscribed.

Another loosening in the bond of contact between Poland and the outside world was the departure and closing up of the office which UNICEF had maintained in Poland for a number of years. This was caused, I understand, by the exhaustion of available funds for this purpose. Another event of note was the departure of Mr. Edward Morrow, correspondent for the *New York Times*, who, after nearly two years in Poland, was unable to obtain a visa for return to Poland to resume his newspaper work here. As far as the Embassy is aware, this refusal was based on the poorly disguised Polish official view that Morrow was not an "objective" reporter and that in some quarters he was even regarded as a spy. To date, Mr. Morrow has not been able to obtain any reversal in the refusal of his visa request, nor, so far as the Embassy is aware, has a successor been appointed in his place to represent the *New York Times* in Poland.

In the event that movements of Embassy personnel here are restricted, as they have been in Rumania, Hungary and elsewhere, I

recommend most strongly that retaliatory measures be applied immediately to like Polish officials accredited to the United States.

JOSEPH FLACK

---

## No. 748

*Editorial Note*

New York City Commissioner of Marine and Aviation Edward F. Cavanagh, Jr., announced on March 9, that the passenger liner M.S. *Batory*, operated by the Polish-owned Gydnia-American Line, Inc., would be denied use of New York City's municipally-owned piers after April 3. Cavanagh was quoted in the press as stating: "We believe that the tying up of that vessel, in addition to being a very controversial matter, presents problems relative to stevedoring and other waterfront labor; police problems; administrative problems for my department, and most important, a security risk, which makes her a very undesirable occupant of any piers under the jurisdiction of this department." (*New York Times*, March 10, 1951)

Since the flight from the United States on the *Batory* on May 1949 of Gerhard Eisler, a Communist functionary then on bail following conviction for contempt of Congress, U.S. authorities had applied a variety of security restrictions and control measures to Soviet and Eastern European ships, including the *Batory*. The measures included the surrounding of vessels with guards, the refusal of shore leave to ships' crews, the refusal to allow ships' officers ashore except under escort, and the interrogation of passengers, officers, and crews on political subjects. Regarding Polish Ambassador Jozef Winiewicz' protest against the security measures, see Acting Secretary Webb's memorandum of conversation of September 13, 1950, *Foreign Relations*, 1950, volume IV, page 1036.

In a note of March 19 to the Embassy in Warsaw, the Polish Foreign Ministry protested against both the refusal to allow the *Batory* to dock at New York and the security inspection of the *Batory* by American officials; for text, see *Polish Documents*, pages 93–94. The Embassy replied on April 2 that the act of the New York City authorities had to be distinguished from the actions of the United States Government in inspecting the ship; for text, see *ibid.*, pages 95–96. The Polish Government renewed its protest in a note of April 18 to the Embassy in Warsaw and charged the United States with discrimination against the Polish flag and with violations of the principles of international law; for text, see *ibid.*, pages 97–105. The Embassy in Warsaw replied on May 11 that the inspection by

officers of the United States Government did not constitute discrimination against the Polish flag and did not violate the principles of international law or the provisions of the United States-Polish Treaty of Friendship, Commerce and Consular rights of June 15, 1951. It also denied that Polish vessels were being prevented from calling at the Port of New York, inasmuch as there were other berths available in the New York area. The Embassy's note suggested that the Polish Government was seeking a pretext to withdraw the *Batory* from navigation to New York whereby it could place responsibility for the decision on the United States. For text of the Embassy's note of May 11, see Department of State *Bulletin*, May 21, 1951, pages 821–822.

In April the *Batory* was withdrawn from service between Gydnia and New York. In retaliation ships of the American Scantic Line (Moore-McCormack) were subsequently barred from the port of Gydnia.

Documentation on this topic is in files 911.53 and 948.53.

---

## No. 749

740.5/4-2451: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

SECRET LONDON, April 24, 1951—6 p. m.

Depto 823. Further deputies 31st mtg April 23. [2]

1. In deputies discussion of Pol ref Depto 822 Fr noted Pol and Czecho similar in having cultural and econ bonds with West, stronger democratic tradition than Balkan satellites, common relation to Ger and resultant psychological climate. Can and others agreed disquiet Poles seriously concerned at prospect rearmament Ger or Ger reunited under auspices either East or West. Belg and Den reported their non-committal replies to Polish *démarche* on Ger rearmament last year. All deps agreed that Poland falls into general satellite pattern of heavy Soviet domination of administra-

[1] Repeated to all other NATO capitals, Frankfurt, Wiesbaden, and Heidelberg.

[2] Telegram Depto 822 from London, April 24, was a brief summary report of the transactions of the 31st Meeting of the North Atlantic Council Deputies. Regarding the discussion of Poland, it reported as follows:

"Political discussion on Poland brought wider participation with respect to intelligence by deps of small nations than previous discussions but few indications of policy. Will seek stimulate latter. No indications serious disagreement with any points in section I of Dept's A-1615." (740.5/4-2451)

For text of A-1615, see Document 746.

tion, army, and economy, without popular support. Netherlands thought some small measure independent action remained in Pol local admin. Neth, US and others noted increasing Cominform success with youth. Canada noted resistance centers on Catholic Church and traditional anti-Russian feeling, but now latent. Belg believed traditional pro-west attitude preserved among intelligentsia to UK inquiries, US and Can said Pol exile movements not integrated. Only Belg believed they retained any ties within Poland. UK and Belg felt Church has survived by compromise and is now weakening. Fr called attention to tactic of dividing Catholic hierarchy from masses. Neth added some success achieved in subverting lower clergy, in part by increasing their income with proceeds nationalization church property. Fr and Neth noted tension arising from Vatican refusal to accept integration of church in annexed German territory with Polish church.

2. Fr and Neth believed army hampered by Sov stinginess with milit supplies. UK, who felt others somewhat underestimated armed forces, noted more liberal Sov policy and training of troops as offensive forces since Rokossovsky took over. With US, UK commented that because of this and anti-Ger sentiment, Polish armies might now be effective against Germany, although less so elsewhere. UK reported little popular confidence in Soviet guarantees of annexed areas. US view that resistance might be strong enough to hamper Soviets in war noted with surprise. UK said strong guarantees of support wld be necessary to overcome remembrances of Warsaw in minds of Polish resisters. Was generally agreed that armed forces total about 400,000; army 180,000; security police 50,000; other police 175,000; navy and air force about 7,000 each. Netherlands said army "not formidable" and being rebuilt with difficulty after total destruction in last war. US figure of 55,000 was only estimate Sov troops in Pol. Den noted recent Pol purchases in Stockholm of large quantities of maps of Den and surrounding waters.

3. UK and others felt econ programs have met fair degree success. UK noted absence of major trouble in shift from agriculture to semi-industrial economy but added that work conditions and shortages of civilian goods might lead to labor trouble. France and US believed some difficulties arising from lack of skilled labor and raw materials and especially noted Sov stranglehold on economy. Neth noted housing problem and found lack of reliable statistics made any judgment of econ situation uncertain. Den and Ice remarked that postwar trade agreements increasingly difficult to renew as Polish demands shift from food to manufactured goods, raw materials, and hard currency. Den said Pol has threatened to put coal on "strategic list" if West restrictions on strategic materi-

als continue. Den also noted failure of trade negots with Sweden based largely on ill-will arising from Pol arrest of Swedish nationals. Deps agreed that collectivization of agriculture proceeding cautiously and against passive resistance. Fr noted technique of limiting land holdings to sub-marginal size. Den noted emphasis on reconstruction of transport network and added strategic importance emphasized by Sov supervision of East-West lines.

Port indicated no reply made to Pol overtures aimed at renewing relations.

SPOFFORD

---

## No. 750

511.48/8-951

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Secretary of State* [1]

SECRET [WASHINGTON,] August 9, 1951.

Subject: Proposed Action in Connection with the Closing of Our USIS Activities in Warsaw

*Discussion*

At a meeting with Ambassador Flack yesterday (August 8) the Polish Foreign Minister Skrzeszewski requested that the operations of the US Information Service at Warsaw, including distribution of the English and Polish language wireless bulletins, film showings and library activities be terminated as of that day. The only argument advanced for this demand was that these operations "transgressed normal and customary diplomatic functions" and constituted propaganda. Although strong objection was expressed to the policy of the US Information Service, no specific complaints were pressed and Ambassador Flack received the impression that the Minister was carrying out a requirement imposed by Moscow. Since the Minister, however, insisted that this was final on the part of the Polish Government, the Ambassador saw no alternative but to comply and so informed the Minister. [2]

Although Ambassador Flack reserved all rights for the US Government in this connection, he did not point out that the order could not interfere with the rights of the Embassy to communicate

---

[1] Drafted by Vedeler (EUR/EE) and concurred in by Cameron (L/A) and apparently Schwinn (P). The source text bears Secretary Acheson's handwritten endorsement "OK DA".

[2] Ambassador Flack reported on his August 8 conversation with Skrzeszewski in telegram 138 from Warsaw, August 9. (511.48/8-951)

with other diplomatic missions and could not thus apply to transmission of the wireless bulletin to foreign missions at Warsaw desiring it.

It is believed that appropriate retaliatory action should be taken in response to this move but that stimulation of a great issue with the Polish Government should be avoided lest this lead to a train of action and counter-action creating a situation favorable to a break in diplomatic relations. An appropriate field for counter action might involve the Polish Research and Information Service (PRIS) which is operated by the Polish Government at New York but not as a part of the Consulate General there or the Polish Embassy here. The staff of the PRIS have official (3(1)) visas and PRIS is registered with the Department of Justice under the Foreign Agents Research Act, as amended.

*Recommendation*

1. That I call in the Polish Ambassador this afternoon if at all possible, and inform him that PRIS must be closed within 24 hours.

2. That the attached press statement be approved for immediate release after my meeting with Ambassador Winiewicz. [3]

3. That Ambassador Flack be instructed to ask such diplomatic representatives at Warsaw as he considers appropriate whether they wish to continue receiving copies of the wireless bulletin and if so to transmit to them copies without any mention on the masthead of USIS. [4]

---

[3] Regarding Ambassador Winiewicz' call at the Department on August 9 and the statement issued to the press, see Department of State Wireless Bulletin, August 10, *infra*.

[4] Instructions for closing down the information program in Poland were transmitted in telegram 57 to Warsaw, August 15. (511.48/8-1551) and subsequent messages in file 124.482.

## No. 751

*Department of State Wireless Bulletin* [1]

[Extracts]

No. 194 [WASHINGTON,] August 10, 1951.

POLISH GOVERNMENT ORDERS U.S. INFORMATION OFFICE CLOSED

The activities of the United States Information Service in Poland have been closed down at the request of the Polish Government, according to the U.S. State Department. The closing became effective Wednesday.

State Department Press Officer McDermott, in making the announcement late Thursday, said:

"The action of the Polish Government is of particular interest coming as it did so soon upon the recent visit of Soviet Deputy Premier Vyacheslav Molotov to Warsaw and within 48 hours after dispatch of the message from the President of the Presidium of the Supreme Soviet of the U.S.S.R. to the President of the United States [2] setting forth Soviet professions of peace and friendship between peoples. With respect to the latter it is noted that the present action of the Polish Government, a government so closely associated with the Soviet model, in all ways, is the example of a deed as distinguished from words."

*Polish Office Ordered Closed in N.Y.*

Meanwhile, the Department said the Polish Ambassador to the United States, Jozef Winiewicz, had been told that the Polish Research and Information Service in New York must be closed within 24 hours.

The State Department issued the following statement on the situation:

"The Polish Foreign Minister called on the American Ambassador, Joseph Flack, on August 8 and asked that the activities of the United States Information Service, including distribution of the English-and Polish-language Wireless Bulletins, film showings and library functions, should be terminated as of that date. Since the Polish Government insisted that this was final there was no alternative but to comply with this request.

*Regards Action As Unwarranted*

"The United States Government regards this action of the Polish Government as an entirely unwarranted interference with the free

---

[1] The Department of State Wireless Bulletin was a summary of significant news items and official texts, transmitted daily to overseas Foreign Service missions.

[2] For text of the communication, sent on August 6, see Document 798.

exchange of information between nations, an exchange which this Government is always ready to foster on a fair and reciprocal basis. It is recalled, moreover, how much the Polish people appreciated, ever since the United States Information Service was established at Warsaw, the services it performed. There is every reason to believe that these activities in the interest of a better understanding between peoples will be missed by the Polish nation.

"The Polish Ambassador in Washington has been summoned today and informed that the Polish Research and Information Service at New York must be closed within 24 hours."

In response to questions, Mr. McDermott said the Polish Foreign Minister, Stanislaw Skrzeszewski, gave no reasons for requesting the closing of the USIS office in Warsaw. The USIS in Warsaw included a library, motion picture theater and offices. The Polish Research and Information Service in New York was described as a propaganda agency.

. . . . . .

---

## No. 752

*Editorial Note*

On August 14, the Polish Foreign Ministry delivered to the Embassy in Warsaw a note which accused the United States Information Service of engaging in "war-mongering" and other alleged offenses and charged that the United States demand for the closing of the Polish Research and Information Center in New York (see Department of State Wireless Bulletin, *supra*) was a baseless and illegal reprisal. The Polish note also alleged that the closing of the Polish information service proved that "the United States wishes to separate its community behind the Iron Curtain from all news of peace and activities of the Polish nation." For text of the Polish note of August 14 as translated by the Embassy in Warsaw and released to the press by the Department of State on October 9, see Department of State *Bulletin*, October 22, 1951, pages 651–652. For text of the Polish note as officially translated by the Polish Government, see *Polish Documents*, pages 174–178.

In a note of September 20 to the Polish Ambassador in Washington, the Secretary of State rejected the charges and characterizations raised in the Polish note of August 14. The note denied that the United States Information Service in Poland had gone "beyond the accepted scope of normal activity of a diplomatic mission or were against the interests of peace," and rejected the Polish assertion that it had spread war propaganda and propaganda hostile to Poland. It reminded the Polish Government that the United States

carried on activities of its Information Service as part of its diplomatic functions in 64 nations, and that only in Communist China, Hungary, Romania, Czechoslovakia, Bulgaria, and Poland had it been compelled by government action to suspend operations. The note of September 20 concluded by warning the Polish Government that "history abundantly proves that governments which adopt the policy of denying their peoples access to all the avenues of truth have done so at their own loss." For text of the note of September 20, see Department of State *Bulletin*, October 22, 1951, pages 652–653 or *American Foreign Policy: Basic Documents, 1950–1955*, volume II, pages 2138–2140.

On October 16 the Polish Foreign Ministry addressed still another note to the Embassy in Warsaw seeking to respond to many of the points raised in the Secretary of State's note of September 20. A translation of the Polish note of October 16, which was published in the Polish press, was transmitted to the Department of State as an enclosure to despatch 140 from Warsaw, October 18. (511.48/10–1851)

---

## No. 753

611.60/12–2451: Telegram

*The Ambassador in Poland (Flack) to the Secretary of State* [1]

SECRET
PRIORITY

WARSAW, December 24, 1951—midnight.

449. Additional pressures which might be leveled at Pol as member satellite group and have corollary effect on Hung and Czech now appear minimal. Vienna's niact 23, Dec 22. [2]

1. In communications field Poland withdrew SS *Batory* from NY run summer 1951 and in July 1951 cancelled operating permit Amer Scantic Line effective Dec 31, terminating service to Gdynia that date.
2. In info field Pol Govt closed USInfo Service Warsaw Aug 1951 and Dept retaliated by immed closing Pol info office NY.
3. Since almost no Amer private travel to Pol, ban on such wld be almost empty and likely incur Pol reprisals limiting Emb official movements.
4. In trade field MFN treaty with Pol denounced last July by US effective early Jan ends all trade or tariff advantages to Pol.

On this examination I think that short of breaking diplomatic relations and recalling our officials, there is substantially no addi-

[1] Repeated to Vienna, Paris, and Praha.
[2] Not printed.

tional rewarding step in sight. I personally feel, I understood Dept agreed, our presence here and ability to travel in Pol regarded as advantages (a) In showing Pol people we have not abandoned them and (b) giving us touchstone visual info to evaluate mil and econ situation.

Psychological effect on populace of suggested mission chiefs gen mtg while doubtless charged with high attention value wld of itself probably not alter dominating official line from Moscow.

FLACK

# ROMANIA

## CONTINUING DETERIORATION IN RELATIONS WITH ROMANIA [1]

## No. 754

766.00/9-1251: Despatch

*The Chargé in Romania (Gantenbein) to the Department of State*

SECRET

BUCHAREST, September 12, 1951.

No. 79

Subject: Developments in Rumania

*Internal Political Situation*

The most noteworthy characteristic of the internal political situation in Rumania during recent months has been its continued stability. For the most part, the same leaders have remained at the same jobs. Although the Minister of Cults, Mr. Stanciu Stoian, was relieved of his duties in June, presumably because of the slow pace at which the final touches were being placed on the nationalization of the Catholic Church (we do not know what his subsequent fate has been) and while there have been persistent but unconfirmed reports for some weeks that the Minister of Public Education, Mr. N. Popescu-Doreanu, has been in official disgrace (he attended an official reception as Minister of Education, as recently as August 18), the principal leaders in both the Government and the Communist Party have continued on, with still no indications of any imminent major purge. Mr. Gheorghiu-Dej was again conspicuously recognized as the country's No. 1 leader during the August 23 celebrations, [2] notably when Marshal Voroshilov clearly indicated him as such and when the marchers in the parade by their banners and yells gave him the foremost position among the Rumanian chieftains. The publication by *Pravda* [3] on September 4 of a long article of his entitled, "Revolutionary Vigilance of the Peoples in the Fight for Socialism," reprinted locally on September 6, offers fresh evidence that he continues to sit well with the Kremlin.

---

[1] For previous documentation on this subject, see *Foreign Relations*, 1950, vol. IV, pp. 1052 ff.

[2] Romanian National Liberation Day.

[3] Daily newspaper of the Communist Party of the Soviet Union.

With respect to Mme. Pauker, she appeared to be in good health and spirits at the August 23 reception, and the fact that Western diplomats now rarely see her and that she is apparently seldom in the Foreign Office is generally interpreted as simply indicating that she has been spending even more time than formerly on top Party matters. Vice Premier Iosif Chisenevschi is still believed to be one of the most important figures behind the usual scenes and to be particularly influential in major questions of foreign relations, but his health is reported frail.

Even the figureheads President Parhon and Premier Groza seem as secure in their sinecures now as they have been in the past. As the Legation has reported, Marshal Voroshilov in his August 22 speech went out of his way to mention Mr. Groza as the head of the Government, and this, together with the publication of an article, "Rumania on a New Path" written by him and printed in *Izvestia* [4] on August 23 (reprinted here on August 28), must be construed as a Communist answer to the Western press and radio stories that he was in the process of liquidation.

While a standard-type espionage-sabotage trial is staged here from time to time, these exhibitions during the past year have concentrated rather on alleged activities of foreign diplomatic missions than on former high personages in the Government. Thus, the present trial, involving the Italian Legation and the former Nunciatura, [5] does not involve any high political leaders; and the "Brit-

---

[4] Official daily newspaper of the Government of the Soviet Union.

[5] Ten Roman Catholic priests and laymen, including Eraldo Pintore, an Italian citizen employed as a clerk in the Italian Legation in Romania, were arrested and tried before a military tribunal in Bucharest, September 10-17, on charges of espionage and anti-State activity. The ten defendants, all of whom were alleged to have "confessed", implicated the former Papal Nunciature in Romania and the Italian Legation as well as the U.S., British, and French Legations in Romania. All of the defendants were found guilty and sentenced to long terms of imprisonment.

Telegram 76 to Bucharest, September 18, stated that in view of the implications of the arrest and imprisonment of Italian clerk Pintore, and in order to discourage a trend which might result in other such cases, the Department of State believed that the Romanian Government ought to be put on notice that the Western nations would not accept such action passively. It was noted that the U.S., British, and French Foreign Ministers had agreed at their meetings in London in May 1950 to coordinate possible countermeasures in cases involving action against missions in Eastern Europe. The Legation in Bucharest was asked to discuss with the Italian, British, and French Legations the possibility of joint action in the Pintore matter. (601.6556/9-1151) Telegram 1482 to Rome, October 2, asked the Embassy in Italy to discuss the matter with the Italian Foreign Ministry. (601.6566/10-251) Telegram 1593 from Rome, October 5, reported that the Italian Foreign Ministry agreed with the American proposal for joint action by the Western Powers in the Pintore case as a method to discourage further mistreatment of Western diplomatic personnel in Eastern Europe but desired to await further development in Romania before agreeing to a joint *démarche*. (601.6566/10-551) Telegram 1743 from London, October 9, reported that the British Foreign Office doubted that concerted Western action in

*Continued*

ish Legation trial" a month ago,[6] although including the former head of the Air Force and several former important businessmen, did not involve any of the real Communist hierarchy.

The Legation has heard comparatively few reports of resistance incidents recently, despite the fact that the crop-collection period of the year has in the past been a time when such reports were frequent. Possibly one reason is that the progressive drying up of the contacts of the Western missions results in fewer reports in general; another reason may be that the bountiful crops this year have served to ease the severity of the Government's collections. Perhaps still another reason is that the authorities, having been impressed with the force of the past resistance to the farm collectivization program and having relaxed somewhat the forcing of peasants into the collective structure, have avoided some of the difficulties encountered last year. (For the slowing-up of the agricultural collectivization movement and the comparatively small progress that it has thus made, reference is made to the Legation's despatch No. 70 of August 27, 1951.[7]) However, there was strong evidence that the sudden and remorseless evacuation of many thousands of farmers and townsmen from the Western frontier region to other parts of the country in June and July produced a situation in the Banat bordering on unrest and causing the Government considerable concern (Legation's telegram No. 52 of July 31, 1951.[7])

*Nationalization of the Catholic Church*

One of the serious preoccupations of the Government in recent months has been the difficulties in the final nationalization of the Roman Catholic Church in Rumania, and as stated above, these likely caused the removal of Mr. Stoian last June. The Department will recall that the middle of last March the regime staged a show purporting to resurrect the old Catholic "Status", whereby handpicked "representatives" of the clergy and laity went through the motions of holding a special meeting and entrusting to a steering committee the matter of working out details to bring the Church within the framework of the Government; i.e. nationalization. However, insofar as is known, the committee has not during the six months since its creation worked out a feasible plan. Probably the chief difficulty has been that, despite the regime's efforts to soften

---

the Pintore case would prove fruitful and wished to delay any action in the matter pending agreement by the Italian Government. (601.6566/10-951) There was no joint action taken by the Western powers in the Pintore case.

[6] Four Romanian citizens, including the former head of the Romanian Air Force, were tried, convicted, and sentenced to death in July by a Romanian court for alleged espionage on behalf of the British intelligence service.

[7] Not printed.

up the clergy by numerous and continuing arrests and persecutions, either the committee or the implementing authorities have run into a stronger core of resistance than was anticipated.

Meanwhile, a great deal of confusion now prevails within the Catholic Church in Rumania, where there are understood to be about 1,400,000 members. In Bucharest, where there are around 40,000 Catholics, there are reported to be only seven or eight dissident priests left, and only one in the Cathedral, and it is understood that those priests who have gone over to the Communist side have been excommunicated. All the bishops are under arrest, and as apparently none is disposed to consecrate new bishops, the regime has not thus far found a way to control the Church by setting up puppet bishops. However, it is quite possible that drastic action of some kind will be taken as a sequel to the present trial.

*Military Situation*

The Legation has no present evidence of unusual or heavy troop movements within the country. Rumors of such movements last spring turned out, as was anticipated, to be confused with normal seasonal maneuvers. In this connection, it is important in interpreting developments here to keep in mind that, unlike the situation in the United States, where troops are customarily stationed in the same area throughout the year, Rumanian forces are garrisoned in towns and cities during the winter for logistic reasons and moved to other areas for seasonal maneuvers, with the result that movements away from garrisons sometimes have the appearance of unusual operations.

Nor have there been the other indications that would be expected if war operations were imminent, such as air-raid directives to the public, placement of anti-aircraft guns in and around Bucharest and restrictions on travel of Rumanians within the country (the only known restrictions of this kind are for travel to the Yugoslav frontier region). It is also reassuring that the "Tudor Vladmirescu" Division is back in Bucharest after summer maneuvers; this is the only Rumanian armored division and would be required for any attack on Yugoslavia (it would probably take about a week for it to move from Bucharest to the frontier.)

As to the increase of the Rumanian armed forces, the Pentagon's estimated increase of the Regular Army from the estimate of 186,000 a year ago to about 204,000 at present is considered reasonable by the Military Attaché, who also agrees that the Frontier Guards are likely still about 26,000, making a total of 230,000 (compared with an estimated 212,000 a year ago) and that the Militia is likely still around 70,000. However, the Military Attaché does not agree with the Pentagon's decrease of the estimate for the armed

Security Police (excluding the plainclothes Secret Police) from 40,000 to 13,000; he thinks the figure is nearer 30,000 and is so reporting to Department of the Army. There are also to be mentioned the Armed Workers Brigade, 5,000 of whom marched in uniform in the August 23 parade (total number unknown), but which, although given arms for occasional drills and parades, is not considered a formidable military unit; and the uniformed Labor Corps, roughly estimated at 200,000, which does not march with arms but which may be an important force for engineering and similar purposes.

The vehicles and equipment shown in the August 23 parade are reported to have been substantially the same in types and quantities as a year ago.

With respect to the Rumanian Air Force, the estimate a year ago of 350 old World War II and pre-war planes remains good, with the exception of 15 jets, which have been acquired in recent months but which are old-model Yak-15's and are considered simply "propaganda planes."

Concerning the Soviet forces in Rumania, there are still two full Soviet divisions, one in the Timisoara-Arad area, and the other in the Galatz-Braila area. Parts of one of them engaged in maneuvers near the Iron Gate last spring but returned to their base. In addition, there are supporting forces, including air units, in different parts of the country, which probably add up in numbers to the equivalent of another division. The Soviet air forces in Rumania have been strengthened by equipment with jet MIG-15's and by the further development of the two strategic air bases at Otopeni and Ianca.

*Relations with the United States*

There have been no essential changes in Rumanian relations with the United States in recent months.[8] The underlying official enmity of the Government has not diminished and is reflected in the daily propaganda attacks, which, while undoubtedly following general lines determined by the Kremlin, have appeared to go even further in their scurrility than the papers of Moscow. One of the developing aspects of these attacks is to depict in detail conditions

[8] In despatch 381 from Bucharest, April 20, Chargé Gantenbein reported that Corneliu Bogdan, former head of the Western Political Office of the Romanian Foreign Ministry and recently named Counselor of the Romanian Legation in the United States had called at the Legation by appointment. Gantenbein stated that this was perhaps the first visit at the American Legation in Bucharest by a Romanian diplomatic official since 1947. The 20-minute visit was reportedly friendly but no controversial subjects were raised. Gantenbein suggested that the visit indicated a Romanian desire to give at least a semblance of observance of diplomatic courtesy in official relations with the United States. (601.6611/4-2051)

claimed to exist in the United States which are faithful descriptions of the Communist regime's own methods of repression, such as terrorizing the population, conducting unfair court trials, torturing prisoners, holding fraudulent elections, etc. While this general scheme has long been a characteristic of Communist propaganda, the detailed approach is a more recent development. The epithets applied daily to the President, Secretary of State, and other high officials of the United States have appeared to reach new lows of vilification from week to week, and are constant reminders of how deeply we have become immersed in the cold war.

At the present moment, the Legation is going through a period of relative calm in the matter of harassments. The biweekly courier arrangement has been functioning well; we have not had serious delays in securing visas for new personnel; our personnel have had no difficulty in obtaining frequent permits to visit the mountain resorts and even Eforia (although we were unable to secure permission for office-business visits to Fagaras and Targu Mures); the Legation has not been directly involved in an espionage-sabotage trial since the spring of 1950 (although on the fringes of the present trial); and while we have had threatened difficulties respecting housing for new personnel who have taken over the house of predecessors, and while this matter is always a Sword of Damocles, it seems for the present to be quiescent. It might be added that although the Yugoslav Chargé d'Affaires was slighted by not being invited to the August 23 function here, I received invitations (notwithstanding that the Yugoslav government is, according to the propaganda, a puppet of the American Masters). However, there must be mentioned the arrest last July of Mr. Montrezza's chauffeur (who has not been subsequently heard from), new secret-police demands in recent months for periodic reports from the mission's Rumanian personnel, the harassment of Mr. Bissell's cook (who was placed in jail for a few days following Mr. Bissell's departure), and the imposing of a 30-day jail sentence and a fine on Mr. Bissell after he left for failure to submit his motorcycle to periodic inspection. Also, a period of relative calm here is always regarded with particular suspicion as a possible prelude to new difficulties; in particular, there is the possibility of an impending trial involving among others Mr. Supinski, who for this reason was transferred from here last April (the British Legation has not as yet been subjected to any new harassments as a result of the trial here a month ago involving former members of that mission, and perhaps a trial regarding former personnel of this Legation would not cause it further difficulties). Moreover, the present espionage trial, in which some emphasis is being placed on exchanges of information among members of different Western Missions, combined with constant

newspaper articles calling for greater vigilance (including the aforementioned *Pravda* article of Mr. Gheorghiu-Dej on September 4), may be the harbingers of new restrictions on the Western missions.

*Economic Situation*

As the economic welfare of the country rests principally on agriculture and petroleum, the 1951 bumper crops and the probably gradually increasing oil production should mean a basically healthy economic situation. While there are no indications of the exact size of this year's crops, they are referred to officially as the largest in the country's history. If this were not the case, it would hardly be in the interest of the regime to make it appear so and to make itself even more vulnerable to attacks that much of the agricultural production is being syphoned off to the Soviet Union and other satellites. As to petroleum, such fragmentary evidence as is obtainable, coming mostly from petroleum contacts of other Western missions, indicates that with the obtaining of new equipment from the Soviet Union, the drilling of new wells in Moldavia, and the gradual readjustments required by the reorganization that followed the industry's nationalization, there has been an upward trend of production, although whether it is as great as claimed is doubtful. The present production rate is probably someplace between 5,000,000 and 6,000,000 tons per year (as compared with a little under 4,000,000 tons in 1947 and with a high of 8,700,000 tons before the war).

To what extent this increased wealth is being dissipated by uncompensated exports and deliveries to other curtain countries is impossible to say. It seems fairly certain that large amounts of cattle have been leaving the country (credence is given to reports of trains of cattle seen bound for the East), and this is generally considered the reason why so little meat is available to the public (the people of Bucharest have been able to buy meat legally only five or six times since the beginning of the year). However, there does not seem to be any existing shortage in Bucharest of various other foodstuffs, including milk, eggs, bread, vegetables and fruit.

As to the standard of living, the people on the streets of Bucharest appear in general to be a little better dressed this summer than a year ago, particularly the women. Whether any such improvement will be noted after the advent of the cooler weather with demands for woolen clothes remains to be seen. Despite the lack of meat, there are few evidences of serious malnutrition in the streets of the city, and there are very few beggars. On the other hand, it is the members of the old middle and upper classes that are suffering the most now as their remaining personal effects

available for being converted into necessary foodstuffs become fewer and fewer, and these people are seen less on the streets than the more fortunate persons who are able to obtain jobs in the State commercial and industrial enterprises, in the Party and in the Government.

*Western Diplomatic Corps*

One of the noteworthy developments since my arrival here a year ago has been the continuous contraction of the Western branch of the Diplomatic Corps (reference is made to the Legation's despatch No. 288 of March 7, 1951[9]). This has necessarily had a detrimental effect on the Legation's work, because with the almost complete cutting off of our own contacts with the Rumanian people, we have become increasingly dependent for information on the other Western missions which are able to maintain some avenues of contact. The latter includes the Israeli Legation, which, although it has had to be extremely cautious, has an extensive source of information in the large number of Jews (5,000–8,000 monthly) whom it assists in migrating to Israel; the Italian Legation and Turkish Embassy, which see numerous nationals of their respective countries residing in Rumania; and several of the smaller countries, which, because considered more neutral, are given somewhat greater latitude in maintaining contacts.

The Israeli Minister, who left here last spring, has not been replaced, and, although Mr. Halevi, the First Secretary, who departed shortly afterwards, has been replaced by a counselor (chargé d'affaires ad interim), who arrived here over a month ago, the latter has not as yet called on the members of the Western Diplomatic Corps. However, the Legation has continued to maintain cordial relations with Mr. Loker, a First Secretary of the Israeli Legation.

The Italian Legation will probably lose Mr. Puri-Purini, who, it is assumed, will be declared *persona non grata* as a result of the current espionage trial. That will be a particular blow to this Legation, as Mr. Puri-Purini has been one of the best informed members of the Western missions and has been unusually cooperative with this mission. Also, Mr. Spinedi, the Commercial Attaché, who has been here for four years and who has also been a valuable contact, is departing shortly for his new post at Ankara and will probably be replaced by an employee of clerical status.

In the Swedish Legation, the former Minister, Mr. Allard, perhaps the best informed of the Western diplomats, left for his new post at Praha last June and has not been replaced, although the

[9] Not printed.

Swedish Ambassador at Moscow is to be accredited as Minister to Rumania.

In the British Legation Mr. Watts, the First Secretary, who has worked closely with this mission, is leaving within the next few days for an assignment in the Foreign Office at London, and his departure will also be a substantial loss. He is to be replaced, but the Rumanian Government has not yet granted a visa for his successor, although the visa was applied for six weeks ago.

Mr. d'Hondt, the Belgian Chargé d'Affaires, who left at the end of last spring, has not been replaced. The young attaché of the mission who has been acting as Chargé has now been called to Brussels, and there is some doubt as to whether he will return.

JAMES W. GANTENBEIN

---

## No. 755

611.66/12-551: Despatch

*The Chargé in Romania (Gantenbein) to the Department of State*

SECRET

BUCHAREST, December 5, 1951.

No. 208

Subject: State of U.S.-Rumanian Relations

The official tone given here to the state of United States-Rumanian relations has been increasingly hostile since the end of the summer, although scurrilous newspaper and radio attacks against the United States had occurred daily for many months before then. As a starting point in this recent phase, one might take the Catholic Church-Italian Legation trial in mid-September in which both the Church and that Legation were portrayed by the prosecution and by the official propaganda as agents of an aggressive American espionage and sabotage network. While this Legation was not directly attacked, Mr. Murat Williams and myself were mentioned as exchanging information with Mr. Puri-Purini, First Secretary of the Italian Legation, who was a special target of the trial.

The Government's note of September 18 protesting the abrogation of the United States-Rumanian Commercial Agreement of 1930 went much further. [1] Here was a direct accusation of the Foreign Office, which characterized the abrogation as "an act proving the hostile policy of the Government of the United States against the Rumanian People's Republic and seeking the further deterioration of the relations" between the two countries, and which de-

[1] See Document 634.

clared that the responsibility for this policy lay entirely with the Government of the United States.

The official hostility became still more pronounced at the time that the USAF lost cargo plane was reported to have crossed the Rumanian frontier. The antics of Mme Pauker in calling me to her office on November 20 several hours after the Legation had made inquiries at the Foreign Office as to the location of the plane and welfare of the crew, and maintaining that the crossing of the frontier could have been no mishap, and in then sending a strong protest note three hours later before the fate of the plane and its crew were even made known, were in line with the same policy.

The most recent instance occurred when the First Assistant Foreign Minister a week later called me immediately to the Foreign Office at ten o'clock one night (a few minutes later he changed the appointment to the next morning) in order to present a still more hostile note protesting the recent Mutual Security Act. Terming the law "an aggressive act against the R.P.R. and the other countries against which it is aimed", the note said that "this law unmasks the American Government's policy directed against general peace". Replete with similar scurrilous passages, the note concluded that the United States bore full responsibility for the activities allegedly provided for and demanded the law's repeal. The propaganda accompanying the protest, including the newspaper reports of obviously trumped-up indignation meetings and letters, has been both extensive and vituperative. *Scanteia* [2] took occasion to comment in abusive terms on former members of the Legation, including Messrs. Melbourne and Hulick, [3] characterized as "American spies" who directed sabotage activities in Rumania.

While all of this could logically be a prelude to some drastic act, such as an operation against Yugoslavia or the severance of diplomatic relations with the United States and perhaps other Western countries, it seems more likely that it is only a part of the Kremlin-directed anti-American propaganda, and war of nerves which has to keep pulling new rabbits out of the hat in order to avoid languishing. As I have commented previously, it would seem incongruous for the Rumanian Government to be increasing its diplomatic staffs in various Western capitals, including that in Washington, in recent months if it contemplated a rupture in diplomatic relations. As to the efficacy of this kind of propaganda, if one of its main purposes is to foster the hate and indignation which it claims is so extensive here, it is patently unsuccessful. During the year and a

[2] Official daily newspaper of the Romanian Workers' Party (Communist).

[3] The reference here is to Roy M. Melbourne and Charles Hulick, Jr., Foreign Service Officers who served in the U.S. Mission in Romania, 1945–1947.

quarter that I have been here, I have seen no first-hand evidence of genuine anti-American feeling apart from members of the Communist Chinese Embassy and possibly two or three people in the Foreign Office.

On the other hand, United States-Rumanian official relations will likely continue to strike new lows. Professed indignation (not yet begun) at the evidence which the United States submitted last month to the United Nations concerning Rumanian violations of the civil-rights clauses of the Peace Treaty may form the subject of the next protest and propaganda barrage. Meanwhile the creation several days ago of an office to supply the local-personnel needs of the diplomatic corps, (Legation's telegram No. 237 of December 1 [4]) may be relied upon to add one more harassment to the Legation and its American staff, while the demands for Secret Police intelligence among the loyal Rumanian members of the mission continue to increase. (Legation's despatch No. 177 of November 17, 1951 [4]).

JAMES W. GANTENBEIN

[4] Not printed.

## No. 756

611.66/12-1851. Despatch

*The Chargé in Romania (Gantenbein) to the Department of State*

SECRET BUCHAREST, December 18, 1951.

No. 220

Subject: Recent Rumanian protests and calumnies against the United States; possible fears of U.S. espionage and sabotage.

Regarding the most recent developments here in the crescendo of official protests and other denunciations levelled against the United States in the last few weeks, especially since the accidental crossing of the Rumanian and Hungarian frontiers by a USAF plane on November 19, [1] I should like to make the following observations:

1. While various Chiefs of Mission here have asked me in the last few days whether I interpreted this current barrage of protest and calumny to be a possible prelude to Rumanian severance of diplomatic relations with the United States, I continue to believe this is probably not the case, at least not for the time being. The consensus of opinion within the Western Diplomatic Corps also holds to this interpretation. It seems logical to assume that if and when the

[1] Regarding this incident, see Documents 739 ff.

Communist authorities decide to break off relations with the United States, a fabricated situation will suddenly be sprung as a basis for such action, which will not require a long-time propaganda build-up.

2. There is some evidence that the authorities may be genuinely apprehensive of (a) the $100,000,000 item in the Mutual Security Act and (b) the special interest in Rumania shown by the United States Government in its compilation of civil-rights violations recently submitted to the U.N. This is indicated by the stepped-up demands for information from the Legation's Rumanian staff (although this may be attributed also to the separation in recent months of several Rumanian employees suspected of collaborating too liberally with the Security Police); indications of greater surveillance in front of the Legation office and residence; and the appearance of a somewhat hysterical note in the press treatment of the Mutual Security Act and the civil-rights matter, with indications of little or no cool-headed consideration of the favorable Western publicity afforded by this precipitate and extensive propaganda.

Possibly, although not necessarily, related to this situation is a report which I heard today as emanating from a Rumanian lawyer with extensive connections within Government and State cooperatives' circles, who said that he had detected an atmosphere of nervousness within these circles in the last several weeks. Although he was not disposed to indicate a cause for this situation and while it may have been connected with the Slansky liquidation in Czechoslovakia, it may have been produced by other apprehensions, such as fear of a United States-directed or encouraged movement of some kind within the country. Perhaps in the same picture is the reported sabotage movement mentioned in the Legation's despatch No. 219 of today; [2] people in the government may think that agents of the United States are directly or indirectly responsible for this movement.

3. The recent issue of the Hungarian White Book and the publication here of similar material beginning December 6 attacking various former members of this mission indicate that similar directives have come from the propaganda headquarters to both Rumania and Hungary. Whether these directives were given before or after the events of the last few weeks and whether, therefore, they are to be identified with the possibly real apprehension mentioned above, are impossible to say. Translations of an unsigned article in two installments as published here in *Romania Libera* [3] December 9 and 11 under the caption "American 'Diplomatic' Records" and of a somewhat similar article in *Scanteia* on December 12 entitled "Spies Masked as Diplomats" are enclosed. [4] The Department's attention is invited also to the Government's "Declaration" regarding United States-Rumanian relations published here on December 6 on the occasion of the United States' presentation to the United Nations of evidence of Rumanian civil-rights violations; copies of

---

[2] Not printed.

[3] Communist daily newspaper in Bucharest.

[4] None printed.

the declaration, which enumerated a number of former United States officials here as "agents of the American espionage services and warmongers' cats'-paws" were transmitted under cover of the Legations despatch No. 209 of December 6. [5]

JAMES W. GANTENBEIN

[5] Not printed.

## No. 757

*Editorial Note*

In a note of December 12 to the Legation in Bucharest, the Romanian Foreign Ministry alleged that United States authorities had trained and equipped for espionage activities two Romanian citizens who were parachuted into Romania in October 1951 from an American aircraft. The Romanian Government demanded the punishment of those responsible for carrying out the alleged spy mission and the taking of measures to prevent the recurrence of such actions. On instructions of the Department of State, Chargé Gantenbein on December 20 categorically rejected the "ridiculous" charges of the Romanian Government and concluded:

"The Government of the United States cannot avoid the conclusion that this fantastic incident has been conjured up by the Rumanian Government in order to furnish some basis for an over-all propaganda campaign. The purposes of this propaganda campaign and of the invention of such incidents are best known to those controlling the Rumanian Government. The Government of the United States is unwilling to dignify them with further comment."

For text of the Romanian note of December 12 and an excerpt from the American reply of December 20, see Department of State *Bulletin*, December 31, 1951, pages 1056–1057.

**PRINCIPAL ISSUES IN RELATIONS WITH THE SOVIET UNION; MAJOR APPRAISALS AND ESTIMATES OF THE SOVIET UNION; REPORTS ON DEVELOPMENTS OF SIGNIFICANCE WITHIN THE SOVIET UNION OF CONCERN TO RELATIONS WITH THE UNITED STATES [1]**

## No. 758

700.001/1-351

*Memorandum of Conversation, by the Officer in Charge of Polish, Baltic, and Czechoslovak Affairs (Vedeler) [2]*

SECRET [WASHINGTON,] January 3, 1951.

Subject: Soviet Estimate of International Situation.

Participants: A Confidential Source and
Mr. Vedeler, EE

The source reported on a meeting of certain diplomatic representatives from Eastern Europe whom Vishinsky called together on December 14, 1950, the day before his sailing for Europe on the *Liberté*. Those attending the meeting included Malik; Wierblowski, the head of the Polish Delegation to the General Assembly and Secretary General of the Polish Foreign Office; Katz-Suchy, Permanent Polish Representative to the United Nations; and Outrata, Horvath, and possibly Winiewicz, Czechoslovak, Hungarian and Polish diplomatic representatives to the United States respectively. On that occasion Vishinsky purportedly gave, with high spirits and much optimism, an official estimate of the present international situation and an indication of Soviet intentions relating thereto in essentially the following terms:

There will be no war at this time because we do not intend to go to war and the United States cannot afford to do so. The United States is not in a position to take this step because it is faced with

---

[1] For previous documentation, see *Foreign Relations*, 1950, vol. IV, pp. 1074 ff.

[2] Drafted by Vedeler on January 5. Assistant Secretary of State Perkins sent copies of this memorandum to Secretary of State Acheson, Nitze, Matthews, Rusk, Webb, and Jessup on January 8 under cover of the following explanatory memorandum:

"This report on Soviet intentions as imparted to important satellite officials is believed worthy of your attention. The source mentioned is one who has proven accurate in every previous conversation." (661.00/1-851 and 611.61/1-351)

political and economic disintegration. The isolationist movement is rapidly gaining ground and disunity is spreading. The American people are growing more and more convinced that the United States has no real allies and that they cannot control the situation themselves. The Western Powers have not been able to achieve unity and the recent visit of Attlee to the United States proved a complete failure producing no results. The United States is trying to dominate the countries of Western Europe, which have to give ground to a certain extent because of their internal economic conditions in each case. But they are very much opposed to the present American policy, which they realize would only bring about a catastrophe if pursued to its final conclusion.

The United States is now embarking on a rearmament program but it will not be able to bear the tremendous pressure of mobilization and war economy for more than two years. Events are accordingly working for the Soviet Union and the popular democracies and the revolution is progressing favorably everywhere. The situation in Asia is already beyond American control and developments in Europe will show that the Americans are unable to control the situation there as well. The strength of the USSR and the peoples' democracies is therefore invincible. We could overcome Western Europe by force of arms at any time, yet this course will not be followed, since we have advanced the slogan of peace and a solution favorable to our cause will come by itself.

It is not certain whether Winiewicz attended this meeting in person or whether he was subsequently informed by Wierblowski of the message given by Vishinsky. In any event, his self-confidence was bolstered after a long period of pessimism, his prevailing mood during the session of the General Assembly. That he had been permitted to share this important confidence made him believe that he was regarded favorably by the Communist authorities and that he was marked as one of the initiates. When he returned to the Embassy at Washington, he was so enthusiastic over the prospect imparted by Vishinsky that he was impelled to pass it along to several members of the Embassy at a long afternoon conference on the subject. With these ideas still in mind he came to the Department a day or so later to present a memorandum on the question of the restitution of looted property from the US Zone in Germany and utilized the occasion to comment on the international situation, apparently in the afterglow caused by the words from Vishinsky.

## No. 759

123-Kirk, Alan G.

*Memorandum of Conversation, by the Ambassador to the Soviet Union (Kirk)*

SECRET [WASHINGTON,] January 12, 1951.

Subject: Ambassador Alan G. Kirk's call on President Truman [1]

Calling at 3:00 p.m., 11 January, 1951, at the White House to say goodbye to the President, the following topics were touched upon:

(1) *CFM:* My comment was that the American Delegation at the Paris CFM of June 1949 had most successfully dominated the situation. It seemed to me, therefore, that in the current proposal for a CFM, our Delegation would certainly be able to deal again with the Soviets. The basic problem was to be certain our two allies, Great Britain and France, were of the same mind with us on all points.

(2) *Western Rearmament:* It was mentioned briefly that our rearmament was essential in order to have our voice respected by the Soviets. It seems evident our rearmament has been forced upon us by the Soviet actions since the War, and that as our strength increases so our voice will be better listened to.

(3) *China:* It was represented that the Soviet Government would scarcely find satisfaction if China were on close and friendly terms with the United States, because we would then be furnishing China with heavy industrial equipment, technical advice, and capital investments, with accompanying increased exchange of goods and services between the two countries. This was hardly the Soviet line and it was for consideration whether Moscow really wanted Peking recognized by the United States.

(4) *Declaration of war against the Peking Government:* In considering the various aspects of the current military situation in the Far East, it was suggested that prudence was necessary in the matter of a formal declaration of hostilities against the Peking Government. The provisions and implications of Article I of the Treaty between Moscow and Peking, as signed last February 14, should be attentively examined in this connection. It is well known that Soviet press and other propaganda media have been intimating the United States is using Japanese aid in the Korean theatre, with the insinuation that this shows Japan is our ally. While the Politburo is always capable of disregarding or distorting any commitment, yet some significance must attach to this propaganda concerning Japan as an ally, which could be the peg on which Soviet intervention in the Far East might be hung.

On leaving the President, he indicated he hoped the Moscow Embassy would continue to keep its ear to the ground, especially for any signs of internal strains in the Soviet Union. As regards the

---

[1] Ambassador Kirk was in the United States on home leave and for consultation from December 16, 1950, to January 20, 1951.

length of my stay at the post in Moscow, the President said he understood perfectly why a third winter there would be excessive.

A[LAN] G. K[IRK]

---

## No. 760

611.61/1-1651

*Memorandum by the Ambassador at Large (Jessup) to the Deputy Under Secretary of State (Matthews)*

TOP SECRET [WASHINGTON,] January 16, 1951.

Subject: Negotiations with the Soviets

The current considerations of a possible meeting of the four Foreign Ministers and the exploratory talks which would precede them suggest the desirability of re-examining the entire problem of negotiation with the Soviets as a part of our overall strategy.

We have consistently taken the position through public statements by the President and the Secretary that we are always ready to negotiate. We have also argued that we must create positions of strength as a background for negotiations. Our draft of Annex VIII of NSC 68 [1] stressed the point that "a general attitude receptive to negotiation is essential". It does not seem to me that we have worked out a clear picture of the ways in which we can use "negotiations" as part of our general strategy. There is always the danger that we will either underestimate the basic strengths of our position as they might appear to the Soviets or, that when we have a position of strength, we will say that we do not need to negotiate.

At the present time in spite of the various obvious Soviet advantages we are by no means devoid of our own bargaining advantages. One of these elements on our side is our potential productive capacity which the Russians respect and which we are now throwing into high gear. Another is the fact that we are moving ahead with consideration of re-arming both the Germans and the Japanese which are developments that the Russians fear.

"Negotiation" as an element in the strategy can be considered not only in terms of formal meetings to debate possible settlements and specific issues but also as including the whole problem of contacts with the Soviets and the planting of ideas which it would be advantageous to us to have the Kremlin consider.

On the more or less formal side we have a continuing course of "negotiations" with the Soviets through the various UN channels.

---

[1] Dated April 14, 1950, "U.S. Objectives and Programs for National Security", *Foreign Relations*, 1950, vol. I, p. 234.

We have pending the possibility of discussions on the Far East under the UN resolution if Peiping accepts it. We have the possibility of exploratory meetings followed by Ministerial meetings. There are also the current lend lease negotiations.

On a somewhat less formal side we have the series of discussions between Mr. Dulles and Mr. Malik on the Japanese Peace Treaty. We also have sporadic contacts, direct or indirect, with Malik and with other representatives of the Soviets.

Whether it is part of a general plan or not it appears that the Soviets constantly interlard public positions through diplomatic correspondence and through their official press and through speeches in the UN and elsewhere, with informal approaches or occasional remarks. In the latter category we have recently had a report of an approach by the Soviet military person in Tokyo regarding a settlement of the Japanese question; we have had several suggestions by Malik both to officials and to American businessmen that they are interested in the possibility of trade with the United States; [2] we have had a report that the Russians who are coming to discuss the lend lease settlement would like to discuss some trade questions. There are probably other incidents of this kind.

I am not aware of any general considered plan within which all of these various contacts could be fitted in order that the individuals who engage in them would have an appreciation of attitudes or points of view which we might consider it advantageous to have conveyed to the Russians.

I suggest the desirability of having this problem studied with a view either to rejecting the general idea of a strategic plan in this field as useless or not necessary or with a view to developing a plan.

PHILIP C. JESSUP

---

[2] Regarding the proposed trip of American industrialists to the Soviet Union, see the memorandum by Kennan and the memorandum of conversation by Reinhardt, Documents 768 and 772.

## No. 761

601.6111/1-2951: Telegram

*The Chargé in the Soviet Union (Barbour) to the Secretary of State* [1]

SECRET Moscow, January 29, 1951—2 p.m.

1428. Embassy's views re desirability imposition reciprocal restrictions Soviet officials in US have frequently been reported and are considered still valid. Since matter will undoubtedly be discussed EE chiefs of mission conference Paris January 30 to February 2, [2] Embassy will not comment specifically Depcirairgram December 14, 3:05 p.m. [3] this time.

However, believe important in determining advisability action re Soviet officials as distinguished from satellite officials that we give adequate weight to distinction which seems evident in mind Soviets between importance it attaches to its own representation US as compared satellites. Distinction is reflected in fact that, while they are anything but cooperative with US Embassy Moscow, Soviets have not yet taken steps similar to satellites to reduce size this establishment presumably because unpalatability reciprocal action US. If we should take measures effectively limiting activities Soviet Embassy in US we might cause Soviets reexamine situation to our detriment.

Furthermore, Soviets might be additionally motivated in present circumstances to welcome opportunity to force reduction this Embassy in relation to British and French as a further move toward isolating US. To avoid possibility our action could lead to such development, we think it virtually essential that before instituting reciprocal restrictions on Soviets we obtain agreement British and French to take parallel action (London's telegram 4115, January 25 [4]). Only consideration we feel would justify unilateral US reprisal at this time would be determination that US security requirements are overriding.

BARBOUR

---

[1] Repeated to Paris for Kirk and to London.

[2] Regarding this conference, see telegram 4559 from Paris, Document 610.

[3] See *Foreign Relations*, 1950, vol. IV, p. 60.

[4] Not printed.

## No. 762

511.61/1-2951

*Memorandum by the Deputy Director of the Office of Eastern European Affairs (Higgs)* [1]

CONFIDENTIAL [WASHINGTON,] January 29, 1951.

Subject: Pospelov Speech. [2]

After detailed consideration of the best course of action to be followed by the Department with regard to the Pospelov speech the line of action described below is recommended. Concurring in these recommendations are EE, P/POL, PL, OIR and WE.

Attachment No. 1 below is OIR Report CS 1.99, dated Jan. 24, 1951, entitled "Trends in Soviet-Communist Tactics," analyzing on the first half-page, as marked, the context and significance of this speech.

*Recommendations:*

1. The Department should interject the Pospelov speech into public discussion in this country, attributing relatively small significance to it but making clear its contents.

2. The best mechanics for introduction of the speech, as suggested by SA/M, Mr. McDermott, would be to stimulate an official question concerning it from Senator Benton or Senator Connally, and arrange with Mr. McDermott to publicize at his regular press conference this question and the Department's reply thereto.

3. The main facts which the Department should seek to emphasize in its reply are (a) American friendship for the Soviet people; (b) the falsity and distortions of Pospelov's statements; (c) a broad but brief outline of the scope and history of American gestures in the interest of the well-being of the Russian peoples; (d) the introduction of a degree of doubt as to the professed Soviet desire for peace as contrasted with the incompatible actions of the Soviet authorities, of which the Pospelov speech is an example.

4. The above procedure would serve as the kickoff for an American "Friendship for the Russian People" campaign. A Congressional resolution on this subject is now drafted for action on the Hill a few days after the action suggested herein. It is possible that eventually an expression of popular "grass roots" sentiment of friendship may become both feasible and advisable. [3]

---

[1] Drafted by Holder (EUR/EE); addressed to Bonbright (EUR), B. H. Brown, Jr. (H), and Jessup (S/P).

[2] On January 21, the anniversary of the death of Lenin, Marx-Engels-Lenin-Stalin Institute Director Pospelov delivered a speech before Stalin and other high Soviet officials which was highly critical of the United States. For text of the speech, see *Current Digest of the Soviet Press*, vol. III, No. 1, February 17, 1951, pp. 1–6, or Department of State *Bulletin*, February 12, 1951, pp. 257–261.

[3] Regarding this Congressional resolution, see the letter from the Secretary of State to Senator Connally, Document 769.

Attachments: (Nos. 2 and 3 are for approval by EUR, H and S/A)

1. OIR Report CS 1.99, dated Jan. 24, 1951, entitled "Trends in Soviet-Communist Tactics," first page marked as stated. [4]
2. (Attachment 2) A draft of the questions which Senator Connally or Senator Benton would be requested to ask the Department.[5]
3. (Attachment 3) A draft of the Department's official reply to the Senator to be publicized together with the Senator's question by Mr. McDermott. VOA scripts meeting the Pospelov attack would be released with the Department's official reply to the Senator. [5]

It is requested that priority consideration be given to the review of these drafts by the offices to which they are sent. An effort is being made to carry through this entire procedure in time for Mr. McDermott's statements to be made at his press conference on Tuesday, January 30, at 12 noon. Upon receipt of telephoned notification of approval from addressees of this memorandum, EE-Mr. Reinhardt's office will work out further procedure with H, SA/M and P. [6]

---

[4] Not printed.

[5] Not printed, but see footnote 6 below.

[6] On January 31 the Department of State released to the press the text of a letter, dated January 26, from Senator McMahon to the Secretary of State asking for the Secretary's reaction to the Pospelov speech of January 21 together with the Secretary's reply of January 31, as sent by Assistant Secretary McFall. The exchange as printed is the same as drafted in the Department of State and attached to the source text. Included as an enclosure to McFall's letter was the text of the Pospelov speech. For text of the exchange, see Department of State *Bulletin*, February 12, 1951, pp. 256–261.

---

## No. 763

762A.5/2-451:Telegram

*The Chargé in the Soviet Union (Barbour) to the Secretary of State* [1]

TOP SECRET PRIORITY Moscow, February 4, 1951—4 p.m.

1457. Eyes only for Byroade, Bruce, Gifford and McCloy. I concur that if we are to have any appreciable hope of eventual achievement of Western oriented united Germany, consolidation of Europe including at least West Germany and creation of strong West defenses are conditions precedent unification. (Frankfort's telegram 6261, January 29, repeated Moscow 87, Paris 575, London 524. [2]) Soviet efforts to obtain weak neutralized united Germany as evidenced by Grotewohl letter, GDR Parliament approach, et cetera,

---

[1] Repeated to Paris, London, and Frankfurt. There was no answer to this telegram.

[2] For text, see vol. III, Part 1, p. 1068.

are impressive and appear to us to have fertile field Soviet exploitation among German and European opinion.

Presentation of a concrete plan of wide scope and obviously addressed towards relaxation of principal points of tension should go far to retain initiative which has lain with us since formation of Atlantic Pact organization and to counter dangerous European "neutralist" sentiment. As for nature plan, idea of establishing defense ceiling is attractive. However, while limiting proposals to creation parity of forces in Germany would, I agree, be inadvisable for reasons stated and also would seem inadequate to meet broader considerations of present world or even European power situation, I am apprehensive of proposal envisaging ceiling on total East-West forces. There is every evidence that whatever they are prepared to do Soviets are not and will not be seriously disposed to effect reduction or limitation their own forces. If that is the case, specific limitation on US forces could dangerously threaten indefinite continuation on present disparity in East-West balance. However, it is conceivable that Soviets might be receptive to some arrangement whereby integrated European forces would be limited to level precluding possibility of European attack on USSR. If such level could at same time be sufficient to constitute major deterrent to Soviet attack against Europe, there might be basis for at least a temporary *détente*.

Possibly a formula for such limitation could be found in offering to establish definite limits on the Atlantic Treaty force but at the same time excluding limitations on national military establishments. In return for a limitation of this kind we would demand a packaged agreement on part of Soviets to solutions Austrian treaty, non-neutralized unification of Germany, German peace treaty, et cetera.

Whether Soviets disposed reach settlement this basis or not it seems to me psychological effect of proposal on European neutralist and lukewarm sentiment would be good and Soviet refusal would emphasize spuriousness their expressions of apprehension over alleged aggressive intent NAT. To extent there is any foundation to their expressed apprehensions, they might be inclined toward agreement.

From standpoint possible adverse effect western limitation on NATO force on present power position, I assume it unlikely in any case that European components of defense force will in reasonable future reach level above that envisaged in proposed limit and that European countries will not be in position to create national military establishments appreciably above contributions to NATO force. In effect, therefore, limitation of this nature would be little

more than stabilization by agreement of situation which is likely to prevail in practice in any event.

In essence we would be capitalizing on the area of strength we have achieved by the creation of the NAT structure to seek at best a satisfactory resolution of basic European problems causing tension and at least the further exposure of Soviet imperialist designs. In extension of both these objectives we might well couple package proposal with renewal expression our desire continue efforts through established bodies toward general East-West reduction armaments.

It is obvious, of course, that whatever relaxation of tensions might result from a satisfactory accord along above lines, we would merely have succeeded in stabilizing military position in one area, albeit important. In line with general Soviet objectives we could expect no let-up in Soviet war effort against the free world in the fields of political, psychological, or economic warfare, nor in Soviet military assistance to its lackeys outside Europe.

BARBOUR

---

## No. 764

Secretary's Memoranda, lot 53D444

*Memorandum by Lucius D. Battle, Special Assistant to the Secretary of State* [1]

TOP SECRET [WASHINGTON,] February 7, 1951.

The Secretary mentioned to me that he was very much interested in Moscow's telegram no. 1457 of February 4 [2] concerning possible limitation of North Atlantic Treaty forces. He said that he had been thinking that we might make some sort of offer to the Russians to keep in being the same number of troops as the USSR and her satellites had east of the Bug River. If the Russians came back and said that they had no control over their satellites and were therefore unable to control what they had in the way of armed forces, the statements could then be made that it was not necessary for the total figure to be controlled as the Russians could adjust their own forces accordingly.

The Secretary mentioned that Mr. Bohlen had told him of an offer made by Mr. Byrnes in New York in 1946 which offered to confine US, French and British occupation forces in Germany to 3 hundred thousand. The total USSR occupation forces were to be 2

---

[1] Directed to Jessup for action and copies sent to Matthews, Nitze, and Bohlen.

[2] *Supra.*

hundred thousand. This would have given the Russians a two to one advantage over any one of her allies. The Secretary said that he understood the Russians came back and refused to accept this ratio but had made a counter offer. [3] The Secretary said that he thought we might seriously consider this whole matter as he thought it might give us a tremendous propaganda advantage. He had in mind that we could make some sort of offer which the Russians would find difficult to turn down without losing considerable propaganda benefits.

He said that if the Russians raised the question of the men which Greece, Turkey and Yugoslavia had under arms, we could simply reply to the effect that this was not the threat which the USSR was concerned about; that the threat with which the USSR was most concerned was the North Atlantic Treaty countries and that the other troops were completely outside this group and an entirely different problem.

The Secretary wants Mr. Bohlen and Mr. Nitze to look at the telegram referred to and consider the matter throughly prior to discussing it with him. [4]

L[UCIUS] D. B[ATTLE]

---

[3] The reference here presumably is to the U.S. proposal made during the Third Session of the Council of Foreign Ministers in New York in December 1946; see *Foreign Relations*, 1946, vol. II, pp. 1466–1467 and 1528. The withdrawal of occupation forces from Germany, including the counterproposal referred to here by Secretary Acheson, was discussed further at the final meeting of the Fourth Session of the Council of Foreign Ministers in Moscow, April 24, 1947, and in the Allied Control Council for Germany and its Coordinating Committee on May 29 and May 31, 1947; see *ibid.*, 1947, vol. II, pp. 389, 870–871.

[4] No record of any further discussion of this matter has been found in Department of State files.

## No. 765

*Editorial Note*

On February 17, the Soviet newspapers *Pravda* and *Izvestiya* published the text of answers by Marshal Stalin to five questions addressed to him by a correspondent of *Pravda*. In one answer, Stalin strongly denied and denounced a recent statement by British Prime Minister Attlee to the House of Commons regarding the Soviet Union's failure to demobilize its armed forces after World War II. Three of the answers concerned the war in Korea. Stalin maintained that the United States and Britain would be defeated if they did not accept Chinese Communist terms for a settlement in the Far East. Stalin concluded by denying that a world war was

inevitable. For text of the Stalin "interview", sometimes given the date of February 16, see *Current Digest of the Soviet Press*, volume III, Number 5, pages 3–4 or Folliot, *Documents on International Affairs, 1951*, pages 290–294.

On February 17, Special Assistant for Press Relations McDermott issued a statement to the press commenting briefly on the Stalin "interview". McDermott's comment concluded as follows:

"The fact that Marshal Stalin says that war is not inevitable is noted with interest all over the world. This shows the universal belief that the danger comes from the Kremlin's aggressive moves in Europe and Asia and that Prime Minister Stalin and his associates have the power to remove the threat of war—if they will." (Department of State *Bulletin*, March 5, 1951, pages 367–368)

On February 18 the Department of State issued to the press a statement reviewing the special efforts being made by the Voice of America and the Department of State Wireless Bulletin to broadcast negative reactions around the world to Stalin's "interview". For text of the statement, see *ibid.*, page 367.

For the comments by the Embassy in the Soviet Union on Stalin's "interview", see telegram 1528 from Moscow, *infra*.

---

## No. 766

661.00/2-1951: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

SECRET PRIORITY Moscow, February 19, 1951—1 p.m.

1528. In speculating on timing of Stalin's discussion of important international questions in *Pravda* interview [2] we believe his remarks may have been calculated to (a) establish favorable general popular attitude toward Soviet position in prospective CFM exploratory talks, [3] thus in a sense anticipating our latest note this subject; (b) give new momentum to "peace" drive on eve World Peace Council meeting; [4] (c) make manifest reasonableness and righteous-

---

[1] Repeated to London, Paris, and Frankfurt.

[2] See the editorial note, *supra*.

[3] For documentation concerning the Four-Power Exploratory Talks in Paris, March–June 1951, see vol. III, Part 1, pp. 1086 ff.

[4] The World Peace Council, established by the Second World Peace Congress held in Warsaw in November 1950, held its first session in Berlin, February 21–26. For expressions of U.S. policy toward the World Peace Council, see the circular airgrams, Documents 625 and 629.

ness of Soviet policy for benefit of Soviet orbit population and wavering Communists abroad; (d) nourish certain popular dissatisfaction abroad at economic burdens of rearmament; (e) widen split focussed in UN between Asiatic and NATO Western Hemisphere countries; or (f) even to forestall damaging influence of proposed Congressional resolution on friendship with Russian people. [5]

Most significant aspect of interview is discussion of inevitability of war. Remarks here constitute sequel to those in Stassen 1947 interview where Stalin [6] pictured unwillingness of capitalist world to cooperate as obstacle to peaceful coexistence between Communist and capitalist systems. Now he asserts that peace can be maintained if the people take the cause into their own hands and carry it through to the end. War can become inevitable if deception practiced by warmongers is successful. This clarifies Soviet propaganda line on this subject which until recently consistently stressed theme that peace forces would be victorious over war camp and constitutes notice to Soviet people and others that war is possibility.

Taken as whole, interview appears to convey message that in spite of Western charges to contrary in connection with its call for CFM on German remilitarization, USSR is willing to discuss other issues contributing to present state of tension on international scene including reduction of armaments, prohibition of atomic weapons and Korean settlement. However, UN where USSR is automatically outvoted and where CPR, major interested power, has been declared aggressor, is no longer realistic forum. Soviet Government has offered and still offers Big Five peace pact through which all such problems can be solved. If people unable make reactionary governments see this and act accordingly, war may become inevitable.

Door is reopened slightly for peaceful settlement on Korea. This may reflect some Soviet pressure on CPR in view Chou En-lai's statements that passage UN "aggressor" resolution had removed any such possibilities. Stalin's complimentary references to Anglo-American generalship and fighting ability suggests he is offering prospect of "honorable" settlement in which neither side need lose face. In view his observation on UN, CPR membership that body becomes less important but their participation in settlement on Korea and US withdrawal from Formosa appear indispensable conditions by implication.

---

[5] Regarding the proposed Congressional resolution, see Secretary Acheson's letter to Senator Connally, Document 769.

[6] For an account of this interview, see *Foreign Relations*, 1947, vol. IV, pp. 552–553.

While holding out prospect for discussion above problems looking toward real settlement, Stalin at same time makes standard Soviet "big lie" case for public consumption in his claim that peaceful orientation has prevailed in USSR since 1945 and his description of Korean war as defense by Korea and China against American aggression.

Stalin's comments on UN suggest fundamental change in his attitude toward that organization. Until at least end of fifth GA, in spite of heavy criticism of manner in which UN was functioning, basis of Soviet position was his assertion that UN was most important instrument for maintenance of peace. Now he says it is organization acting in interests of American aggressors and being transformed into weapon of war. Presumably Stalin is implying that only peace pact between five permanent SC members can reestablish its moral authority and avoid Soviet bloc withdrawal. Implications are that Asiatic states which have been predicting Soviet withdrawal as result of passage "action for peace" and "aggressor" resolutions might also be impelled to leave the thirty-state "aggressor nucleus" behind in the organization or similar move.

From propaganda standpoint, Stalin's answers to questions posed are crammed with material for Communist psychological warfare activities. Argument concerning detrimental effect of maintenance of large military establishment on any country's economy bears special import for Western European peoples, particularly British. Comments on quality of fighting by Anglo-Americans in Korea foster ideas tending to set soldiers against officers and people against governments and are perhaps particularly designed to appeal to isolation sentiment in US. As mentioned above observations concerning UN serve to encourage split of Asiatic states away from NATO–Western Hemisphere groups. India's longing to play role in international affairs commensurate with population and geographic location is cultivated blatantly in this answer. Stalin's remarks about fighting abilities of Anglo-Americans run sharply counter to consistent Communist propaganda line since Korea that they are poor soldiers which was apparently taken to build up self-confidence of Soviet troops.

Of incidental interest is reference to price decreases which may contain intimation that one is impending for March as frequently predicted here.

May be said that in this interview, Stalin has involved his reputation for superior wisdom in much more sophistry than has prevailed in previous such expositions. This may reflect greater degree of vulnerability of Soviets on issues involved or feeling of Soviet leaders that Stalin authority may be margin needed to assure popular support abroad for Soviet foreign policy positions or that his

intervention will cause sufficient confusion to pave way for success in any adventure to be undertaken in near future. [7]

KIRK

[7] Telegram 1537 from Moscow, February 19, offered the following additional commentary on Stalin's statements:

"In considering desirable US and free world strategy in light Stalin's *Pravda* pronouncements we believe that as we interpret his statements (Embtel 1528, February 19), he is in essence endeavoring to recapture a measure of diplomatic initiative which has been taken from him through effective inauguration of Western defense program and that it is consequently important that that program be continued vigorously.

"Concomitantly the further formulation and presentation in appropriate forums of concrete Western proposals for reasonable solution in accordance with free world principles of problems causing international tension should have increasing effect of counteracting those aspects of Stalin's edict addressed psychologically toward capitalizing on situations of confusion and uncertainty which Soviets seek to create." (661.00/2-1951)

## No. 767

611.61/1-1651

### *Draft Department of State Policy Statement* [1]

SECRET WASHINGTON, undated.

### POLICY STATEMENT—USSR

#### A. OBJECTIVES

The Soviet Government is officially committed to a policy of world domination in the name of Communist ideology. Its leaders

[1] Copies of interoffice memoranda attached to the source text indicate that this draft policy statement was prepared in the Office of Eastern European Affairs, and received working-level clearances by EUR, UNA, PD, UNP, P, TRC, and ITP, apparently during January, February, and March 1951. In a memorandum of March 14 to Edward S. Little (EUR), Jeffrey Kitchen (S/S-R) commented that S/S-R had circulated the draft policy statement on the USSR to interested areas for comment and suggestions.

"In general the comments have pointed out that the statement was so 'watered down' as to place its usefulness in doubt. This raised the question in the minds of those commenting as to whether, in view of the special pre-eminence of the Soviet Union in all our policy thinking and planning, the Country Policy Statement might be an unsuitable vehicle for any overall presentation of US policy toward the USSR insofar as the necessity for withholding sensitive information might make it misleading as well as incomplete to eventual end-users".

In concluding Kitchen offered the opinion that the draft statement either be abandoned or be redrafted in the light of unfavorable comments and upgraded to Top Secret classification. In a memorandum of March 22 to Little, Reinhardt (EUR/EE) commented upon Kitchen's memorandum. Reinhardt agreed that the draft statement might be abandoned in view of its incompleteness as a result of the fail-

*Continued*

have succeeded in cloaking the national ambitions of the Soviet state in terms of Marxism-Leninism—linking international Communism with Russian imperialism—and so can utilize the resources of both to achieve their aims. Thus, in the name of a philosophy of dynamic social change, the Soviet state strives to bring about the destruction of all other types of society and to replace them with Communist social organizations which in reality become Soviet-controlled dictatorships. The United States, as the strongest, militarily and economically, of the states whose independent existence and way of life constitute, by their very nature, impediments to the attainment of Soviet ambitions, has become the principal target for Soviet propaganda and the primary obstacle on the path to Soviet world domination.

The basic objective of U.S. policy must be to assure the security of the U.S. against its only effective enemy, the USSR.

To meet the USSR's challenge, the U.S. must also acknowledge that the dynamic forces of Communism, implemented by Soviet might, can be effectively offset only by an equally dynamic counter-offensive, on a world scale, by the forces of democracy. If such a counter-offensive is to be undertaken successfully, the U.S. must be its prime mover and must provide much of the material backing. The measure of success in this undertaking will be determined by the degree to which the U.S. can win the active support of those people not under Soviet control.

To accomplish this objective the U.S. (1) must bolster the military and economic security of the areas threatened by the Soviet Union and by Communism, and must engage in a sytematic campaign to weaken the Soviet camp economically, morally and politically, and, (2) taking measures to ensure a dominant popular sentiment in such areas for democracy and against Communism through demonstration in concrete terms of the inherent and increasing advantages of the democratic way of life, develop the people's self-confidence and will to resist Soviet Communism.

Each of these objectives is of equal importance; failure in any one could in the long run mean failure to meet the Soviet challenge successfully.

---

ure to include many items of sensitive information. Reinhardt did argue, however, that the generalized policy statement was useful because:

"it does contain in one single report many useful facts in regard to our relations and policies toward the Soviet Union as well as information concerning the policies and relations of the USSR with other countries."

No later draft of the policy statement has been found nor is there any record in Department of State files of a further discussion as to the relative merits of abandonment versus revision of the statement. It is presumed that further work on the paper was abandoned.

B. POLICIES AND POLICY EVALUATION

1—To strengthen the United States internally:

Effective United States leadership of the non-Communist world requires that the United States be capable of taking and sustaining effective action to achieve its objectives. Military preparedness, economic progress and national unity are, of course, basic elements in any attempt to demonstrate the soundness of our system.

(a) U.S. military strength must necessarily be the bulwark behind all free nations opposing Soviet expansion by armed force.

(b) U.S. economic stability must be sustained, on the one hand to give the lie to the Marxist theories of the weakness of capitalist economy and its inevitable collapse, and, on the other hand, to provide support for the development of the economies of other free nations and of those backward areas which are now a special target of Soviet Communist policies and propaganda.

(c) Together with these factors affecting the material strength of the U.S. must also be considered U.S. unity in handling the solution domestically of the problems that must be solved elsewhere. Concrete American successes in meeting social problems and in advancing dependent areas under U.S. control constitute convincing evidence of the vigor and reliability of the U.S. in the struggle with the USSR.

2—To aid the non-Communist world to withstand Soviet aggression and to solidify adherence to the principles of freedom and democracy:

It is essential that the U.S. and other free nations opposing Soviet objectives maintain their combined military strength at a level sufficient to deter the Soviet Government from the use of armed force. This policy is being implemented through the North Atlantic Pact, the Military Assistance Program, the Inter-American Defense Pact and other continuing and special military cooperation projects.

At the same time, the U.S. must strive to strengthen and maintain the economies of free nations, both as a contribution to their military potential and a measure of alleviating the economic conditions which furnish breeding grounds for Communism. Confidence must be established in the ability of a free economic system to surpass the alleged potential capabilities of Communism. This policy is being implemented by the Economic Cooperation Act, the Greek-Turkish Aid Program, the Point IV Program, Export-Import Bank and the International Bank loans, International Monetary Fund advances, United Nations programs and other continuing and special economic programs.

U.S. economic assistance to other nations, however, is not limitless either in extent or duration. It must be concentrated in those areas where need is greatest and where adequate probabilities for success exist. It should serve as an aid to self-help in the countries

concerned and as an incentive to the participation of private capital, particularly in the development of backward areas.

All the above steps must be supplemented by measures to create and strengthen lasting ideological and cultural ties with the free nations. This policy is being implemented through the UN, the U.S. information and educational services and programs, and through American private and public contacts abroad. Particularly emphasis must be placed on those areas which are special targets for Communist propaganda and Soviet pressure. Southeast Asia is today a point of vital concentration for U.S. cultural and social activities, as are those areas in the Near and Middle East contiguous to the USSR. At any given time the areas of emphasis must be determined in accordance with the degree of gravity of the Soviet threat, the strategic importance of the area to U.S. interests, and the likelihood of effective response to U.S. assistance. Policies and programs for all areas must be sufficiently flexible to meet the continual changes in the international situation, and must be formulated in keeping with overall objectives.

3—To meet the Soviet challenge directly, to block the USSR in the achievement of its objectives and to weaken the Soviet dictatorship:

*Political:*

The U.S. must apply its policies toward the Soviet Union in a manner designed to seize political initiative from the USSR and maintain it. The extent of American success in keeping Soviet leaders on the defensive is a positive gauge of American success in meeting the Soviet challenge. Containment of Soviet imperialism within its present borders fulfills an essential role in United States policy toward the USSR as long as it remains active containment, forcefully countering Soviet pressure for expansion. The United States must avoid allowing containment to degenerate into static defensism. Only by a consistently active containment policy in relation to the USSR can the United States justify its position of leadership in the non-Communist world.

*Economic:*

The denial or restriction of material and technological assistance to areas under Soviet control is being effected at present to the greatest extent practicable by the United States export control system, the application of similar controls by other non-Soviet countries in collaboration with the U.S., and by persuasion against the export of strategic technology to Soviet-controlled areas. (The problems of export controls and East-West trade have been considered separately as one of the major policy issues.)

*Informational and Cultural:*

The USSR is vigorously opposing, by jamming of VOA [2] and by administrative throttling of *Amerika* magazine, [3] the work of the

[2] For documentation on U.S. efforts to counteract Soviet jamming of transmissions by the Voice of America, see *Foreign Relations*, 1950, vol. IV, pp. 261 ff.

[3] A Russian language magazine, written, edited, and printed in New York by the U.S. Information Service. The magazine, distributed irregularly in the Soviet Union

*Continued*

only two USIE media now effective in the USSR. VOA's operation is being strengthened; *Amerika* will be maintained as long as possible.

Foremost objectives of USIE should be (1) to reduce the Soviet Government's ability to utilize the Soviet population in activities detrimental to the security of the US and the countries of the free world, and (2) to create popular attitudes in the USSR contributory to future mutually beneficial relations between our two nations.

USIE's message to the Soviet population should speak for and strengthen the determination of elements maintaining silent opposition to the Kremlin. USIE should, by making clear the true significance of the Kremlin's activities, encourage the growth of opposition opinion. In these efforts to aggravate the potentially severe stresses in the Soviet national structure, held together primarily by force, fear and deception, USIE should capitalize upon every vulnerability of the artificial Soviet thought control system.

Essential components in this work should be the conveying (1) of confidence in the benevolence of the US and of the free world, (2) the concept, however vague, of a desirable alternative to the Soviet system, and (3) accurate knowledge of the US, its internal unity, its allies, the UN, and important trends and events.

*I. Major Policy Issues and Problems*

1. *Political*

In the Soviet view, armed conflict is the inevitable climax of the struggle between the capitalist states and communism, i.e., the USSR. Soviet policy is therefore devoted to improving the terms on which it will enter that climactic armed struggle. By combining military pressure from without and Communist pressure from within under conditions of formal peace the Soviet Government aims to pick off its victims one by one with minimum risk of general war and maximum assurances of final victory.

The United States Government does not consider it justifiable to conclude that the Soviet assumption of inevitable war, or Soviet objectives and policies, by themselves, make armed struggle inevitable. The measures taken for the assurance of economic well-being and consolidation of resistance in Western Europe are in themselves removing one of the basic conditions required by Soviet doctrine for initiation of the armed struggle, i.e., the existence of a "revolutionary situation."

A firm, active policy demonstrating the unity and strength of the U.S. and the other peace-loving nations of the world will tend to eliminate the immediate possibility of armed conflict. There is, however, an element of calculated risk in this position. The possi-

---

after January 1945, was aimed at presenting an unbiased picture of the United States and concentrated on topics of broad cultural interest. For documentation on the difficulties of distributing *Amerika* in the Soviet Union, see *Foreign Relations*, 1950, vol. IV, pp. 1074 ff.

bility will continue to exist that the Soviet leadership will elect to strike before its relative position is further weakened. Although such an eventuality is considered unlikely at present, it must nonetheless be acknowledged.

A principal task facing the U.S. is to execute our basic policies in the manner best calculated to minimize the chances of resort to war. This requires that the growth of the relative power of the western world must be accomplished with an absence of provocation, and with a steady sureness that will minimize the likelihood of violent efforts to restore the balance.

2. *Economic*

Under existing conditions, U.S. economic policy toward the USSR, as well as toward other countries under Soviet control, is formulated in consideration of the political and military aspects of our basic objectives. U.S. general commercial policies prevail only in so far as they are compatible with the attainment of these objectives. Our economic policies are designed to strengthen the economic-military potential in non-Soviet areas and, if possible, to retard the growth of the Soviet military potential.

The Soviet Union has rejected the long-run programs of the United States for improvement of trade and other economic relations among the peaceful nations of the world, preferring to seek its own economic ends through unilateral action and economic aggression at the expense of weaker states. A major shift in Soviet policy would be necessary for genuine Soviet participation in the world economic programs sponsored by the U.S.

## Trade Relations

*Security Export Controls*

Under March 1948 regulations, exports to European countries are subject to license controls: 1) to insure optimum utilization of short-supply products to strengthen the economies of non-Soviet states, and 2) to restrict exports to the Soviet Union and to countries under its control of goods which would contribute directly or indirectly to the military potential of the Soviet bloc. Exports to Finland and Yugoslavia receive more lenient treatment as a means of furthering our political objectives in these areas. The present control of China by the Communists necessitates the extension of similar export controls to shipments destined for China. The U.S. is seeking to obtain the agreement of other nations similarly to restrict strategic exports to the Soviet sphere, particularly from the main alternative sources of supply in Western Europe.

In strengthening the economies of countries opposed to Soviet expansion, particularly the countries of Western Europe, the need for increased trade with the Soviet bloc has been recognized. Since Soviet commodity requirements from Western Europe are concentrated in industrial items, a large portion of which would contrib-

ute to the Soviet war potential and are thus subject to export controls, a conflict in policies has existed for some time. However, efforts are being made to increase the volume of trade with the Soviet bloc in items not directly contributing to the Soviet military potential, while restrictions are being continued on the prohibited list.

*United States Imports from the Soviet Sphere*

In recent months there has been increasing domestic pressure for the imposition of import controls or even an outright embargo against U.S. imports from the USSR and the satellite countries. While such pressure has originated in large part with the domestic producers adversely affected by such imports, many of the protests have been motivated by concern as to whether the policy of permitting imports from the Soviet bloc countries is consistent with our policy of active containment of the Soviet Union at the present stage of the cold war. Since the paramount consideration in our trade relations with the Soviet bloc is the national interest of the United States, rather than the interests of specific industries which might be affected by such imports, we must take into account the fact that the U.S. is still receiving strategic imports of manganese from the USSR, which are still considered important at the present time in terms of our stockpiling program. We must also beware of the danger that any concessions to high tariff interests on imports from Soviet bloc countries might provide an opening wedge for concerted pressure against imports from Marshall Plan countries. Nonetheless, the importance of depriving the Soviet bloc countries of dollars earned through U.S. imports must be borne in mind and our future policy on imports from the USSR and its satellites is being given careful consideration with a view to possible import controls or other legislation at the next session of Congress.

### C. RELATIONS WITH OTHER STATES

The Soviet Union is guided in its conduct of relations with foreign states by its basic concept that the world is divided into two irreconcilably hostile camps: (1) the Soviet-led socialist camp which, according to Soviet doctrine, is historically predestined to grow in size and strength; and (2) the American-led capitalist camp which is historically doomed to weaken and ultimately to collapse. Soviet theory further postulates that since capitalism will not depart from the world scene of its own accord, an inevitable collision will take place between these camps.

In carrying out its foreign policy on this basis, the Soviet Union has necessarily developed a varying set of relations with three main areas of the world: (1) the countries associated with the Western states, often referred to as the Western bloc; (2) the countries of the Soviet bloc; (3) the countries of the semi-colonial and former colonial areas, particularly in the Middle and Far East, which the Kremlin currently seeks to embrace within its power system. Other regions, such as Latin America and Africa, do not constitute areas

of primary interest to Soviet policy objectives at present, except in that the countries therein provide a fertile field for fomenting internal strife and discontent in order to thwart Western influence and policies.

The USSR's relations with countries considered in the Western bloc have deteriorated consistently since 1945, reaching their lowest point in 1950. Soviet relations have deteriorated particularly with the United States and the United Kingdom as the two leading states of the western group. Apart from its continuing efforts to gain political power in the states of the Western bloc through the agency of national Communist parties, the Soviet Union's central purpose in its current relations with these states is to prevent their effective military and political unification in defense against Soviet imperialism and to retard the economic progress which would enable them to better withstand the Communist threat. To achieve these goals, the Soviet-directed Cominform has concentrated much of its energy in efforts to sabotage the European Recovery Program and the Mutual Defense Assistance Program, and one of the aims of the peace proposals of the Communist World Peace Congress has been directed toward inhibiting Western defense planning under the North Atlantic Treaty.

Meanwhile the countries of the Soviet bloc have been increasingly subordinated to Soviet dictates and have become complete satellites, a process considerably hastened by Tito's defection. Of the orbit states of Eastern Europe, only Finland has retained any degree of political independence. Current Soviet relations with these states may be said to consist primarily of efforts to improve economic relationships along lines best calculated to strengthen the Soviet Union as a national power, increase the military capabilities of the satellite states, and bind them more closely to the USSR.

The third area, that of the semi-colonial and former colonial areas, currently presents international Communism with its most fertile field for expansion, and Soviet foreign policy in 1950 has been particularly active in advancing toward that end. In accordance with traditional Soviet practice, the Kremlin has conducted toward the states of this area a dual policy, both aspects of which are directed toward the promotion of Soviet influence. On the one hand, it has made official efforts to improve diplomatic relations with the established regimes in these states. On the other hand, it has given unofficial support to attempts on an unprecedented scale to undermine and overthrow the established governments of the same states through guerrilla warfare and subversive tactics by local Communist groups and through the establishment and diplomatic recognition of rival regimes. Thus while Moscow in recent months has courted favor with India, established diplomatic rela-

tions with Indonesia, finally implemented a 1948 agreement to exchange missions with Burma, and drawn closer to Iran with the signature of a trade agreement, it has at the same time backed Communist-led insurgent groups throughout Asia and has even extended diplomatic recognition to one such group, Ho Chi Minh's regime in Vietnam. Moreover, through the agency of the WFTU Peiping Conference (November–December 1949) it has instructed Asian Communists that "armed struggle" should be their primary tactic.

Special places in Soviet foreign policy are occupied by Yugoslavia and China, the former because its defection represents potentially the gravest threat to the Soviet power system should its example be followed successfully by other nationalist-minded Communist governments, and the latter because Mao Tse-Tung's regime bears the closest similarity to the Tito government of any of the Communist states and its loss to the Soviet bloc would be by far the most damaging to Moscow's interests. Although Moscow's efforts to subvert Tito—by political pressure, economic warfare, and encouragement of internal revolt—have failed thus far, these efforts are being continued. Their result to date has been principally to drive Yugoslavia progressively closer to the Western states in matters of foreign policy.

In the case of Communist China, Soviet actions appear to be based on a policy of gaining maximum political and economic advantages from the new state, at the same time avoiding at all costs the spread of Titoism to China. An important Soviet tactic in binding China to the USSR has been to incite China against the West at every opportunity, hoping thereby to instill thoroughly in the minds of the Chinese leaders the concept that they need to rely upon the USSR in a joint struggle against their "common enemy" of Western capitalism. Thus far the USSR seems to have been entirely successful in achieving the goals of its China policy. In February 1950, Moscow signed agreements with China which linked the two states in a 30-year military alliance, affirmed Soviet concessions with respect to the Changchun Railway, Port Arthur, and Dairen although providing for the eventual relinquishment of these concessions and gave China a 5-year credit of 300 million dollars. Moreover, whether as a result of pressure from Moscow or as a result of its own nationalistic drive to eliminate Western influence from Asia and assert Chinese power in its stead, the actions of Communist China in the international field have consistently been in line with Moscow's drive against the West, culminating in its intervention in the Korean War. Whether the Chinese intervention in Korea contains the seeds of conflict between Moscow's and Peip-

ing's interests, especially in Manchuria and Korea, remains to be seen.

*I. The USSR and the United Nations*

The United Nations plays an important role in the implementation of two major policies of the United States towards the Soviet Union as set forth herein—in aiding the non-Communist world to withstand Soviet aggression and in blocking the USSR in the achievement of its objectives.

As the Secretary has stated, "The major problems which press upon us cannot be solved by national action alone but require common action in the light of the common public interest." While there are a number of international organizations where common action is possible on a regional basis, only in the United Nations do we have a forum which includes the representatives of practically all states in the world. Where action to aid the non-Communist world or to meet the Soviet challenge should be on a universal basis, the United Nations is the most appropriate forum for such action. For example, the General Assembly resolution of December 1, 1949 on the Essentials of Peace [4] supported by fifty-three of fifty-nine United Nations members was an effective answer to the Soviet propaganda campaign which sought to brand the United States and the Western democracies as warmongers.

Soviet participation in the United Nations and its subsidiary agencies is of immediate advantage to the United States in the following respects:

1. The presence of the Soviet Union in the United Nations vividly emphasizes to the leaders of all member states the vicious ideology and tactics of Soviet leadership and thus strengthens the unity of the free world in opposition to the Soviet Union.
2. As long as the Soviet Union continues to participate in the United Nations, we have a readily available forum for securing a measure of agreement with them in the event of some change in the Soviet leaders' interpretation of their basic ideology or in Soviet tactics so as to permit the establishment of a mutually satisfactory *modus vivendi*.

On the other hand, the Soviet presence in UN organs invariably results in partial or total obstruction of the work and prevents the organs from taking the most expeditious and effective action. The Security Council record in the Korean situation up to August 1 is an example of what can be accomplished in the UN without Soviet obstruction.

---

[4] For documentation on this resolution, see *Foreign Relations*, 1949, vol. II, pp. 72 ff.

Threats of temporary or permanent withdrawal of the Soviet Union from the United Nations should not be permitted to coerce the United States into the acceptance of policies or courses of action not in harmony with its basic objectives.

The United States regards the Soviet action of walking out of the Security Council on January 10, 1950 [5] as such an unwarranted attempt at coercion.

In the Security Council, where the Soviet Union is in a position to veto any substantive proposals with which it does not concur, the United States has sought through Charter interpretation and through agreement among the permanent members of the Council to limit somewhat the scope of the veto, especially with respect to admission of new members to the United Nations and the pacific settlement of disputes and situations endangering the maintenance of international peace. The United States has at the same time supported the practice of consultation among the five permanent members of the Security Council before important decisions of the Security Council are to be made. Where differences have existed, the United States has sought without modifying its basic objectives to secure as great a measure of agreement as possible, but in the absence of any agreement has not hesitated to support proposals which the Soviet Union opposed and vetoed. Furthermore, the United States has on a number of occasions taken matters to the General Assembly when the Security Council has been frustrated by the Soviet veto. In this way the UN has been able to function reasonably effectively despite the Soviet veto.

With respect to other organs of the United Nations where the Soviet Union is unable to block majority decisions, the United States in general seeks to take positions consistent with its basic policy objectives which will have the widest possible support in the international community. While the United States does not wish to take positions in these organs which are especially provocative to the Soviet Union, nevertheless the United States will not avoid its responsibilities of advocating constructive measures in these organs merely because of Soviet opposition.

The Soviet Union is presently participating in only two specialized agencies, the Universal Postal Union and the International Telecommunication Union. The Soviet Union recently withdrew from the World Health Organization and is encouraging its satellites to withdraw from the specialized agencies. (The Soviet Union has ratified a convention setting up a World Meteorological Orga-

---

[5] The reference here is to the action of the Soviet Union to cease participation in the U.N. Security Council so long as the Republic of China was represented in that body. For documentation, see *Foreign Relations*, 1950, vol. II, pp. 186 ff.

nization, which has, however, not received the required number of ratifications to take effect.)

### D. SUPPLEMENTARY PROBLEMS

*I. Political*

American officials in the USSR, as in the satellite countries, work under repressive conditions in complete contradiction to traditional diplomatic usage. Their movements are highly restricted; normal contact with the Soviet people has been virtually eliminated through the operation of the State Secret Decree of 1947 and other laws and restrictive measures; local employees of the Embassy are subject to control and intimidation by Soviet authorities; strict limitations are placed on the amount of goods which can be imported by the Embassy and its staff on a duty-free basis; Embassy staff members are even prevented from securing Soviet drivers' licenses to operate their cars. [6]

Since a policy of applying to Soviet and satellite representatives in the United States travel restrictions on a reciprocal basis is under active consideration, this problem is touched on in greater detail below. In addition, another problem requiring more detailed treatment is the question of the Soviet obligation under the Roosevelt-Litvinov Agreement of 1933 [7] to permit an American clergyman to administer to the religious needs of Americans in the USSR.

1. *Travel Restrictions.* The travel restrictions announced by the Soviet Government in 1941 and restated on September 30, 1948 are still in effect. These regulations restrict travel by all members of the staffs of the diplomatic missions at Moscow within the Russian, Ukrainian, Byelorussian, and Georgian Union Republics and prohibit all travel in the other twelve Union Republics. Travel by automobile from Moscow is confined to only ten roads leading to points varying from 10 to 50 kilometers from the city. If a trip outside of the city is planned, advance notification must be given to the Soviet Government. Trips beyond 50 kilometers from the city may be made only by public transportation after the necessary tickets are obtained from the appropriate government agencies. The latter, of course, is equivalent to advance governmental approval of the proposed travel.

The question of imposing on Soviet officials in the United States similar restrictions on the basis of a policy of reciprocity has been

[6] See the Secretary of State's letter to the President of the D.C. Board of Commissioners, Document 789.

[7] The agreement was contained in an exchange of letters on November 16, 1933, between President Franklin D. Roosevelt and then Soviet People's Commissar for Foreign Affairs Maksim Maksimovich Litvinov, signed in Washington at the time of the recognition of the Soviet Union by the United States, *Foreign Relations*, The Soviet Union, 1933-1939, pp. 29-33.

carefully considered by an interdepartmental committee and an agreed action has been recommended for approval and implementation when the Departments of State and Defense deem it advisable.

For the most part, each time that someone makes a trip outside of Moscow he is openly followed. And, although it is not a common practice, Embassy personnel are sometimes followed in the Moscow area.

2. *American Clergyman in the USSR.* The Roosevelt-Litvinov Agreement of 1933 provided that religious groups or congregations composed of American nationals in the USSR would have the right to have their spiritual needs ministered to by ecclesiastical functionaries who are nationals of the USA and that such functionaries would be protected from all disability or persecution and would not be denied entry into the Soviet Union because of their ecclesiastical status. In January 1950 the Reverend John O. A. Brassard finally received a Soviet entry visa after waiting for approximately ten months. Since his arrival in Moscow in the early part of 1950, in spite of repeated representations by the Embassy including a visit by Ambassador Kirk to Acting Foreign Minister Gromyko on September 15, 1950, Father Brassard has not received authorization to use the facilities of the Church of St. Louis, which had formerly been the church used by his predecessors. [8] In Ambassador Kirk's conversation with Mr. Gromyko, the latter made it clear that the Soviet Government would not "intervene" to permit Father Brassard to use the Church of St. Louis. It is clear from this conversation and from the previous representations made to the Ministry of Foreign Affairs that the Soviet authorities have adopted the attitude that an American clergyman in the USSR is a chaplain of the Embassy and that the Embassy will be responsible for providing facilities to enable him to conduct religious services. This position of the Soviet Government has been protested and rejected by the Embassy.

*II. Economic*

(A) *Commercial Policy and Trade*

1. *Conflict of U.S. Trade Controls with Treaty Commitments.* Under the 1937 Commercial Agreement between the USSR and the United States, [9] the USSR received most-favored-nation treatment with regard to exports from and imports to the United States, while in return, the USSR agreed to increase substantially its purchases in the United States. Under existing conditions, i.e., U.S. export controls directed at the Soviet sphere, the agreement is of no benefit to the U.S. and has been used by the USSR for propaganda purposes by charging violation by application of discrimina-

[8] For a report on the visit, see telegram 713 from Moscow, September 15, 1950, *Foreign Relations*, 1950, vol. IV, p. 1248. See also Barbour's memorandum of conversation, Document 819.

[9] For documentation on the conclusion of the first commercial agreement between the United States and the Soviet Union on July 13, 1935, see *Foreign Relations*, The Soviet Union, 1933-1939, pp. 192-218; and for its renewal on August 4, 1937, see *ibid.*, pp. 405-449.

tory export controls. Similar charges are to be expected should the U.S. adopt controls over imports from the Soviet sphere. The agreement contains no escape clause providing a basis for countering these charges. It is contemplated, therefore, that the agreement will be denounced by the United States at the first favorable opportunity under the provision in the agreement providing for termination by either government upon six months' notice.[10]

2. *Tariff Concessions.* The United States does not have a general trade agreement with the USSR and negotiation of such an agreement is unlikely in the foreseeable future. Under the most-favored-nation treatment provision of the 1937 Commercial Agreement however, and under the Trade Agreements Act of 1934 the USSR benefits from concessions to other countries on furs and the strategic commodity manganese. Chrome ore, another strategic commodity, is on the free list. The luxury items crab meat, peppermint oil, and caviar probably are the principal Soviet exports to the United States on which tariffs have not been reduced. In order to deny these benefits to the USSR, it would be necessary to terminate the Commercial Agreement of 1937 and for the President to proclaim the USSR ineligible for M.F.N. benefits under the Trade Agreements Act.

3. *Strategic Imports.* Manganese and chrome ores are strategic commodities included in the U.S. Government stockpiling program. In December 1948, the principal United States importers of Soviet manganese and chrome ores were given to understand that shipments of these commodities to the United States in 1949 would consist only of amounts required to fulfill commitments outstanding for 1948. Actual shipments in 1949 amounted to 73,000 tons as compared to 385,000 in 1948. The United States has ignored the implied possibility of bargaining export licenses for manganese, and instead has concentrated its efforts on developing other sources of supply. Despite continuing small shipments from the USSR the United States is pursuing a policy of developing other known sources, so that this Soviet economic lever may be dissipated and dependable sources of manganese and chrome will be available in an emergency.

4. *Soviet Trade Practice in U.S.* Trade between the United States and the USSR is conducted to a large extent through Amtorg, a New York state corporation wholly owned by the Soviet Government, recently forced to register with the Department of Justice under the Foreign Agents Registration Act. To a lesser extent trade is carried on directly with Soviet Government agencies. In view of the comparable nature of the U.S. and Soviet economies and the resultant small volume of trade between the two countries the disadvantages accruing to U.S. private enterprise in dealing with the Soviet trade monopoly do not present a major problem. U.S. free enterprise, however, is at a disadvantage in bargaining with the USSR to obtain such strategic commodities as manganese and chrome.

---

[10] Regarding U.S. action on June 23 to terminate the U.S.-U.S.S.R. commercial agreement, see Document 634

5. *Export of Technology.* United States policy on the export of unclassified technology by private firms, as in the case of export of goods of strategic significance, in general is based upon the security considerations underlying our policy with respect to trade with the Soviet bloc. Control of the export of technology, however, is much more difficult to implement in view of its widespread publication within the United States and other Western countries and the ease of transmission over international boundaries.

In view of the lifting of controls on the export of technological information shortly after the war, our restrictive policy is now being implemented largely by the voluntary actions of the exporters themselves, although compulsory controls are exercised to a limited extent for the legal protection of U.S. firms. Administration of technology controls is exercised by the Department of Commerce.

There exists a marked disparity of access to technology in the United States and the USSR where disclosure of technological data is considered a criminal offense under the State Secrets Act. Despite this disparity, however, it is generally accepted that, with few exceptions, the Soviet Union will continue to lag behind the United States in technological development.

(B) *Finance*

1. *Economic Assistance.* So long as the Soviet Government continues to pursue its present policies toward the United States, economic assistance to the Soviet sphere is out of the question. While limited economic assistance has been provided to Soviet-dominated areas in Eastern Europe in the past when such assistance has been clearly beneficial to the economies of the European Recovery Program participants, and not outweighed by benefits to the military potential of the Soviet sphere, it is not likely that circumstances will again arise which would warrant such aid to the Soviet bloc in the future.

2. *Gold and Dollar Exchange.* Available evidence indicates widespread use by the Soviet sphere of dollar exchange derived from its favorable balance of trade with the US and from sales of gold in premium markets to finance widespread illicit activity such as the circumvention of export controls with the West through the purchases of strategic materials for dollars; to finance subversive activities in Western countries; and for legitimate diplomatic purposes. Proposals to sterilize Soviet gold through modification of the U.S. gold purchase policy and through restriction of free gold trade abroad and to decrease Soviet dollar earnings through trade have been considered in the Department, but do not appear warranted at the present time.

(C) *Claims, Debts, etc.*

1. *Lend-Lease*

(a) *Settlement for Wartime Lend-Lease.* After repeated representations made by the United States both in Washington and Moscow, negotiations for a settlement of the Soviet $10,800 million wartime lend-lease account commenced on April 30, 1947, and are

continuing spasmodically. The negotiations are limited to topics covered by the master Lend-Lease Agreement of June 11, 1942 and are directed primarily toward the question of compensation for materials and other assistance provided by the United States to the Union of Soviet Socialist Republics under the Lend-Lease Act during the war. The negotiations also include the question of obtaining the return to the United States of certain lend-lease articles, particularly certain naval craft, which are needed for use in the United States or which the United States desires be returned for security reasons. To date 7 war-built tankers and 1 old dry-cargo vessel, 27 frigates and 1 icebreaker have been returned. However, 2 remaining icebreakers which were supposed to be returned by December 1, 1949 are claimed to be stuck in the ice and no date of return has been specified by the Soviet Government. The United States position as to the various aspects of these negotiations follows in general the principles of settlements already concluded with other major lend-lease recipients. Although progress has been made toward agreement on certain issues, the major issue of overall compensation remains in dispute.

(b) *Adjustment of Postwar Lend-Lease Agreement.* Compensation for lend-lease articles supplied after the end of the war was provided for in the so-called Soviet Lend-Lease "Pipeline" Agreement of October 15, 1945. [11] Of the materials valued at $250 million available and scheduled for delivery under this Agreement, goods valued at $230 million were delivered. Delivery of the remaining goods valued at $20 million was terminated as a result of Congressional action. The Soviet Government has protested this termination as a violation of the Agreement and has submitted claims for damages. In making interest payments due under the Agreement on July 1, 1947, 1948, 1949 and 1950, the Soviet Government has withheld amounts reflecting reductions in principal resulting from these alleged damages. In making its payments of interest due July 1, 1948, 1949 and 1950, additional deductions were made by the Soviet Government as compensation for damages claimed to have resulted from United States denial of export licenses for private purchases. The United States position has been to accept tentatively the reductions reflecting damages resulting from non-delivery of items scheduled in the "pipeline" Agreement pending the outcome of discussions of the Soviet claims. The United States has rejected, however, the offset for damages resulting from denial of export licenses on the basis that claims of this nature are wholly unrelated to the matter of lend-lease interest payments.

2. *Claims of American Nationals.* Subsequent to the recognition of the USSR by the United States, negotiations were undertaken for the settlement of American claims arising out of seizures of property in the USSR. These negotiations were suspended in 1935 and have not been resumed to date. However, pursuant to the Lit-

[11] For documentation on the conclusion of U.S. wartime assistance to the Soviet Union and the agreement of October 15, 1945, see *Foreign Relations*, 1945, vol. v, pp. 937 ff.

vinov assignments, [12] the United States has succeeded in collecting over 7 million dollars of pre-Soviet Russian Government assets in the United States which will be used in connection with any eventual settlement of these claims. With respect to Soviet seizures of American properties in the new Soviet territories and seizures of American properties acquired through inheritance since 1935, the United States continues to present requests for investigation of the status of such individual properties. In a note transmitted in August 1948, [13] the U.S. requested the Soviet Government for an expression concerning its observance of its obligations under international law to provide just compensation for the seizure of American properties. To date, no reply has been received and no adequate responses are being given to our requests for information concerning individual properties. [14]

3. *Soviet Debts.* Substantially all of the debt of the Soviet Government to the United States Government arose from advances to the Provisional Government of Russia (the Kerensky Government) between July and November 1917 under the First and Second Liberty Bond Acts. The balance of the debt arose from sales of surplus war materials under the Act of June 9, 1918 and from sales of relief supplies on credit by the American Relief Administration under the Act of February 25, 1919. These sales were made subsequent to the fall of the Kerensky Government to the White Government of Admiral Kolchak which was never recognized by the United States. The principal amount of the above advances and sales totals nearly

---

[12] The Litvinov Assignment consisted of an exchange of letters between President Franklin D. Roosevelt and Soviet Foreign Commissar Litvinov on November 16, 1933, and their joint declaration of the same day regarding measures for the settling of outstanding questions of indebtedness and claims between the United States and the Soviet Union; for text, see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 35–37. Under the terms of the Litvinov Assignment, the United States Government gained various property rights to intangible and other assets which the Soviet Government had claimed in the United States. The Soviet Government also waived all counterclaims against the United States.

[13] The note was dated August 25, 1948; for text, see *Foreign Relations*, 1948, vol. IV, p. 911.

[14] A 16-page paper entitled "U.S. Debt and Nationalization Claims Against the Soviet Union", designated document RPTS D-2/1a, January 27, drafted in the Office of the Legal Adviser in preparation for the projected Four-Power Exploratory Talks in advance of a possible session of the Council of Foreign Ministers, reviewed in some detail the background and current status of claims against the Soviet Union arising out of default of debts of the Soviet Union, or its predecessor governments, to the U.S. Government or its nationals and the nationalization, confiscation, or other takings of American property interests in the Soviet Union. The paper did not deal with Lend-Lease obligations. (CFM files, lot M–88, file—RPTS D1–D2) The debt question, particularly the status of the Litvinov Assignment, was also reviewed in some detail during a call by Assistant Secretary McFall and Truesdell (EUR/EE) upon Representative Abraham J. Multer of New York on September 14, 1951. Truesdell's memorandum of that conversation is in file 261.1141/9–1451.

$400 million. In addition the United States has outstanding claims of about 4 million against the Chinese Eastern Railway and for protection of Russian interests in Turkey during the first World War. Accrued interest on these debts amounts to several times the principal amounts.

In January 1918 the Soviet Government published a decree repudiating all state loans and loans guaranteed by preceding Governments. Subsequent to recognition of the Soviet Government in 1933 an effort was made to negotiate an agreement for the settlement of debts and claims but these negotiations were discontinued without solution of the problem in January 1935, since which time the debt question has been considered a dead issue.

(D) *Transport and Communications*

1. *Civil Aviation.* Our civil aviation policy with respect to the USSR and its satellites, as approved by the National Security Council, is (1) to prevent the sale of aircraft and associated equipment to these countries and (2) within certain limits to contain the civil air operations of the USSR and its satellites. In connection with this containment policy, if it can be clearly determined that a fully realizable balance of advantage would result from a reciprocal exchange of civil air services with the satellite states after careful evaluation and weighing of the civil aviation, economic, political and military security considerations involved, efforts to effect civil air penetration of a satellite state on a reciprocal and short-term basis should be made by U.S. and friendly states. All but the minimum facilities necessary for the operation of satellite air services outside satellite territories as may be agreed to and for securing adequate facilities for non-satellite areas in satellite territories should be denied. This policy is being implemented through the cooperation of other friendly states on a "common front" basis. [15] The Soviet Government is not a member of the International Civil Aviation Organization and is not expected to join in the foreseeable future.

2. *Telecommunications.* U.S. implementation of its international telecommunications policy is carried out primarily through the International Telecommunications Union, of which the USSR and all of its satellites in Eastern Europe are members. While satisfactory progress has, on the whole, been made in the I.T.U., the USSR has acted as a disruptive and retardative influence. The difficulties with the USSR are found in many specific areas but generally are most prevalent in international conferences. At the I.T.U. confer-

[15] For a general review of U.S. civil aviation policy toward Eastern Europe and the Soviet Union, see Documents 616, 633, and 641.

ence the Soviet Delegations have persistently interjected both technical and political obstacles.

3. *Shipping.* (a) In view of the relatively small size of the Soviet Merchant Fleet, little difficulty has been encountered with the Soviet sphere in the shipping field. The USSR has not participated in efforts to bring into being the Intergovernmental Maritime Consultative Organization or the 1948 Safety-of-Life-at-Sea Convention. The Soviet Government has enlarged its Maritime Fleet through wartime acquisitions under Lend-Lease and through reparations, etc., and is attempting to enlarge it further through new construction both in the USSR itself and in foreign shipyards. It is indicated that satellite ocean shipping, particularly Polish, is formally being taken over by the Soviet Government and that plans are under way for the formation of a world-wide Soviet shipping organization to serve the entire Soviet bloc.

(b) *Immunity of Soviet Merchant Vessels in U.S. Ports.* Since all Soviet vessels are Government-owned, under present U.S. policies they receive sovereign immunity in U.S. ports, whether engaged in regular commercial business or on official missions. This advantage is not accorded to privately owned merchant vessels of other nations. The Department has for several years been studying the possibility of limiting sovereign immunity of Government-owned vessels by granting such immunity on the basis of function rather than ownership. Soviet merchant ships may be denied immunity in U.S. ports should this criterion be established.

(c) *Chartering of United States Vessels.* The Soviet Government has from time to time since the war chartered U.S. flag vessels to supplement its own merchant fleet in transporting cargoes between Communist-controlled ports. In particular certain U.S. flag tankers have been chartered to transport petroleum from Costanza, Rumania, to Communist China. In keeping with a suggestion by the Department of Defense, the Department of State recommended to the Maritime Administration of the Department of Commerce that no U.S. flag vessels be chartered, without the specific approval of the U.S. Government, for the carriage of cargo of any kind to or from any of the following countries or areas: Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, the USSR, the Soviet Zone of Germany, North Korea or Communist China. The procedure recommended by the Department has been put into effect by the Maritime Administration. This will permit scrutiny and review of charters to countries in the Soviet bloc with the possibility in some cases of denial where the charter appears to be contrary to U.S. national interest.

(d) *Inland Transport.* Following a decision of the Council of Foreign Ministers in December 1946, a conference to work out a new

convention for international freedom of navigation on the Danube was held at Belgrade, Yugoslavia, July 30–August 18, 1948.[16] At this conference a convention proposed by the Soviet Delegation was approved by a majority of seven delegations from the Soviet bloc, including Yugoslavia. The U.S. and other Western Governments have firmly stated their inability to accept the Soviet-imposed convention which destroys the international character of the river, forces out of the administration all non-riparians, legalizes Soviet monopolistic control of the joint shipping companies, and, in general prevents the resumption of East-West trade. The Soviet convention has now been ratified by all of its signatories and has been placed into effect.

The U.S., the U.K. and France have affirmed non-recognition of the Belgrade Convention and have served notice that the previous Danube Convention of 1921 is considered to be in force for the entire river. Belgium, Italy and Greece have taken similar positions.

(E) *Labor*

1. Communist ideology based on the interests of the laboring classes continues to have strong appeal in that quarter. Although, recently, organized labor in the Western democracies has to a great extent disassociated itself from Communist-sponsored organizations and has openly aligned itself with the cause of free democracy as opposed to Communism, the ideological battle in the labor field has become more acute. In December of 1949, democratic trade unions repudiated the Communist-dominated World Federation of Trade Unions and organized the International Confederation of Free Trade Unions. It is the policy of the United States Government to lend maximum support to labor forces friendly to democracy not by propaganda attacks alone but also by encouragement of democratic labor in every possible form. One such form is increased collaboration and contact on international labor matters with United States labor leaders, who are now intensively active in the drive to counter Communist labor activities throughout the world. It is the policy of the United States to dispel the myth of the unique advantages to labor under the Soviet system by bringing the facts to light, especially as regards forced labor, lack of trade union rights and personal freedom, and comparatively low wages, long hours and other burdens of workers under Soviet domination.

(F) *USSR Economic Relations with Other Countries*

1. *World Trade Relations.* In the postwar period, the Soviet attitude toward efforts to establish a world system of non-discriminatory trade has changed from implied approval during the war period

[16] For documentation, see *Foreign Relations*, 1948, vol. IV, pp. 593 ff.

to indifference (1946) to active hostility (1947–50). The USSR has attacked the basic principles of the International Trade Organization as United States "economic imperialism." The United States would not consider Soviet participation in the General Agreement on Tariffs and Trade and the International Trade Organization warranted unless such participation signified a genuine tendency on the part of the USSR to move toward a multilateral non-discriminatory and cooperative trade policy. Soviet policies toward foreign trade which have as fundamental tenets government monopoly of all trade and the drive for autarchy rely upon bilateral trade agreements. The Soviet system is incompatible with the basic principles of the International Trade Organization and the General Agreement on Tariffs and Trade. Hence any fundamental change in Soviet policies on foreign trade cannot be expected.

2. *Economic Integration of the Eastern European Satellites.* The USSR is carrying forward rapidly a program of integrating the economies of its Eastern European satellites and forcing these countries to rebuild their economies upon the Soviet model. The former agrarian satellites have been "encouraged" to industrialize and satellite agriculture is being collectivized. After refusing to permit the Eastern European satellites to join the Marshall Plan, the Soviet Union reacted to that plan by creating the Council for Mutual Economic Assistance (CMEA) within the Soviet bloc. The CMEA was founded ostensibly for economic mutual assistance among members of the bloc; it is, however, actually employed for the purpose of integrating the satellite economies and directing their operations in accordance with the needs of the Soviet economy. Effective economic unification of the satellites is still far from realization. When a unified Soviet bloc does emerge and the Soviet sphere presents a unified front in trading with the West, the West as a whole may find itself in a disadvantageous trading position.

3. *ECE.* The Economic Commission for Europe was designed to provide for the exchange of economic information within Europe and to assist in the reconstruction of the European economies through the allocation of scarce supplies and through aiding the expansion of intra-European trade. The USSR has disclosed very little economic information to the ECE and the satellites are now following the Soviet example. The Soviet bloc has utilized the ECE, as it has other international organs, largely as a propaganda forum against U.S. economic programs in Western Europe and Western export control policies. The U.S. favors the continuation of the ECE as beneficial to intra-European trade despite Soviet tactics.

(G) *Miscellaneous*

1. *Fisheries.* The Department is considering a proposal to resolve the Pacific Ocean Fisheries problems between the U.S. and the

USSR by negotiations of a fisheries convention covering waters of the North Pacific Ocean and Bering Sea north of 47th parallel. The contemplated agreement would essentially be a self-denying arrangement whereby U.S. and Canada would restrict their fishing vessels to waters east of the International Date Line and USSR would restrict its fishing vessels to waters west of the Line. Many potential tensions exist in the area due to the proximity of the American and Asiatic coasts, each fringed by vastly rich coastal fisheries jealously guarded by littoral states. The area has been prolific in fisheries disputes for more than 100 years and is the locus of two of the three principal fisheries arbitrations in history. The partial solution offered by the Four Power Fur Seal Treaty of 1911 was ended by Japanese abrogation in 1941. United States policy is to revivify seal conservation arrangements and at the same time resolve other latent fisheries problems in the area by this single convention, coupled with a companion treaty between U.S., Canada, and Japan. Canada has agreed in principle with the proposed convention.

Indicative of the success and cooperation that such a convention might engender is the International Whaling Convention of 1946 to which, among other states, the U.S. and the USSR are parties. Cooperation by the USSR in this conservation agreement has been and continues of a high order.

2. *Copyrights.* The U.S. has in the past made overtures to the USSR for the negotiation of a copyright agreement to protect the works of their respective nationals in one another's territories. The USSR has, however, evinced no interest in negotiating such an agreement. There is at present, therefore, no mutual copyright protection existing between the two countries. It would not appear likely that the USSR would participate in the multilateral copyright convention recently proposed by UNESCO.

---

## No. 768

032/3-2751

*Memorandum by George F. Kennan to the Secretary of State* [1]

CONFIDENTIAL [PRINCETON, March 13, 1951?]

About March 7 I received a telephone message from New York inviting me to lunch on Tuesday, March 13, with Mr. Abrams, head

---

[1] The source text is a copy attached to the memorandum of conversation by Reinhardt of March 27 identified in footnote 3 below. A marginal handwritten notation on the source text indicates that this memorandum was seen by Secretary Acheson.

*Continued*

of the Standard Oil Company of New Jersey and Mr. Chester Barnard, President of the Rockefeller Foundation, the purpose of the luncheon being to discuss a matter which could not be discussed over the phone.

I accepted, and came to Mr. Abrams' office at the time specified. He spoke with me alone first, and said substantially the following:

Last fall Mr. Malik had voiced the wish (as I understood, in a talk with Mr. Rusk) that he might meet with some leaders of American industry. Mr. Lancaster, a member of the law firm which serves the National City Bank, and Mr. Pickett, of the Friends Service Committee, had arranged a meeting at Mr. Lancaster's house on Long Island (I believe in December), at which Mr. Abrams, Mr. Chester Barnard, and Mr. Henry Ford, Jr., and Mr. Charles Wilson had been present; and they had talked with Mr. Malik for three hours. In the course of this meeting, Mr. Wilson had referred to a speech he had recently made, in which he had suggested that it might be a good thing if a group of American leaders in various private fields could visit Russia and a similar group of Soviet figures could visit the United States. [2] Just recently, Mr. Malik had taken Mr. Pickett aside, on some occasion at the U.N., and had said that if the American group would now like to visit the Soviet Union, visas would be available for them. Mr. Picket had asked—was he sure? in the past, there had been so much trouble about visas, even when people had been assured that they would be forthcoming. Mr. Malik had said that this time there would be no trouble. Mr. Wilson, who by this time had taken up his position in Washington, had then spoken with the President and with Mr. Acheson about this matter. But the Department of State had not been willing to give them an opinion as to whether they should or should not go. In any case, Mr. Wilson himself did not feel that he would now be able to go, on account of his governmental position. He, Mr. Abrams, was troubled about this; Mr. Wilson's dropping out left the matter largely up to him, and he did not know what to do or where to turn for advice. He was not sure that Mr. Pickett had looked at the matter from all angles. He had recently been to Venezuela and had laid his troubles before Norman Armour, who had suggested that he might talk to Phil Mosely and myself. Phil was not available that day, and the choice therefore fell upon me.

---

Kennan, who was on leave from the Foreign Service, was diplomat-in-residence at the Institute of Advanced Studies at Princeton, New Jersey.

[2] Regarding the background to the proposed trip of American industrialists to the Soviet Union, see Reinhardt's memorandum of conversation, Document 772.

We then went upstairs and joined Mr. Barnard and Mr. Pickett for lunch, and the latter gave more details about the matter. It was evident that he and Mr. Lancaster had been the moving spirits in the matter, and that he set much store by it.

My reaction being requested, I then spoke along the following lines:

I could not speak for the Government, and whatever I said would have to be taken as an initial and off-hand reaction to something I just heard of for the first time and had had no chance to think about. I personally regretted the extreme severance of contact between this country and the Soviet Union, and wished that it had been possible to keep enough contact in progress at all times so that it would not be "news" when a group of private American citizens wished to visit the Soviet Union. In principle, therefore, I favored the resumption as soon as feasible of that small measure of contact by private Americans with the Soviet Union which had been customary in other periods of Soviet rule, even though I did not expect that it could ever develop into anything very important as long as the Soviet regime remained what it is. On the other hand, we had to recognize the situation that prevailed today, and to face the fact that the visit of a group of prominent Americans to the Soviet Union in the face of this situation would be a sensational event, into which the press would read all sorts of meanings. There were great dangers of misinterpretation here. If reaction were negative, it could make matters even worse than they are today, and prejudice the chance of any later improvement. If the reaction were favorable, the press would probably go all the way overboard, and portray the mission as an indication that the cold war was at an end, that we could now relax, that re-armament was exaggerated, etc. I thought, for these reasons, that it would be unwise to undertake such an enterprise unless one could be reasonably sure that one was guarded against these pitfalls. I thought it would be better and safer all around if they could wait until circumstances were such that there seemed to be some real prospect of improvement in our political relations with the Soviet Union, and then undertake the visit only as part of a general revival of something like normal travel between the United States and the Soviet Union, so that they would be not the only group of people doing this sort of thing at the given time and their visit would not be so conspicuous. In no circumstances, in my opinion, should they undertake such a visit while the Korean war was in progress; for as long as Americans were being shot at by communist forces anyway the chances of misinterpretation and resentment of such a visit, in this country, would be considerable. Furthermore, I wanted to make plain my opinion that there should be no question of their discussing with Soviet leaders, during such a visit, any political matters under negotiation between our Government or other western governments and the Soviet Union.

Did this, they asked, mean that if they were to go to Russia, they should not see Stalin at all, even if he were willing to see them?

I said no, it did not mean this; but that if they had an opportunity to see Stalin they should do so only in the presence of our Ambassador and should be careful not to give the impression that they were authorized to speak in any way for our Government.

Afterward, when we had left the others, Mr. Abrams spoke favorably of the advice I had given them, and I got the impression from both his reaction and Mr. Barnard's that there would be little likelihood of the project's being undertaken for some time to come. [3]

GEORGE KENNAN

[3] Clarence Pickett called on Reinhardt on March 27 to arrange an interview with Secretary of State Acheson to discuss the proposed trip of American industrialists to the Soviet Union. Reinhardt's memorandum of that conversation reads in part as follows:

"Mr. Pickett summarized the latest developments as follows: There had been a meeting with Mr. George Kennan, who had been 'very helpful'. Mr. Wilson, because of his official position in the Government, no longer considered it appropriate that he be a member of such a group but continued to support it most enthusiastically. He had spoken with the President about it, who had told him that he should discuss the matter with Mr. Acheson. Messrs. Abrams and Ford had become less interested, the former because he was the servant of the board of directors, and the latter because he was always somewhat disturbed by the spectre of his grandfather's "Peace Ship". Mr. Pickett felt that Mr. Abrams and Mr. Barnard might not be inclined to go through with the project in the absence of affirmative encouragement from official quarters. Mr. Lancaster, despite his age, continued to pursue the project with such concentration that he had recently had to take a couple of weeks' vacation. Mr. Pickett said that despite all the problems that such an undertaking posed, some of which they had discussed with Mr. Kennan, he and Mr. Lancaster were both deeply convinced of the importance and potentialities of such an American effort to breach the Iron Curtain.

"I did not encourage him. I reiterated the considerations which had been advanced by Mr. Kennan in his recent discussion with the group on March 13 (memorandum attached) and added others." (032/3-2751)

## No. 769

611.60/2-951

*The Secretary of State to Senator Tom Connally* [1]

[WASHINGTON,] March 20, 1951.

DEAR SENATOR CONNALLY:—Your letter of February 9, 1951, [2] gives me opportunity to endorse explicitly and emphatically the

[1] Addressed to Senator Connally in his capacity as Chairman of the Senate Committee on Foreign Relations.

Senator McMahon and Representative Ribicoff called on Secretary Acheson and Assistant Secretary McFall on March 15 to discuss the proposed content of the letter to be sent by the Secretary to the Senate Foreign Relations Committee and the House Foreign Affairs Committee regarding the position of the Department of State on the McMahon-Ribicoff Resolution (S. Con. Res. 11 and H. Con. Res. 57) ex-

*Continued*

McMahon-Ribicoff resolution reaffirming the abiding friendship of the American people for all other peoples, including the peoples of the Soviet Union.

I wish to commend the legislative initiative in this vital matter. I hope that it will prove possible to have favorable action completed by the Congress in the near future. I am sending a similar letter [2] to the Chairman of the Committee on Foreign Affairs of the House of Representatives.

Three aspects of the resolution impress me particularly.

The first is the voicing of the American people's fervent, profound desire for peace. The resolution well expresses this as our goal now and ever. After taking note of the "terrible danger to all free peoples" as the circumstance compelling us reluctantly to rearm, the resolution affirms that we "desire neither war with the Soviet Union nor the terrible consequences of such a war". It notes our preference "to devote our energies to peaceful pursuits". It finds cogent support of this in our willingness "to share all that is good in atomic energy, asking in return only safeguards against the evil in the atom."

I note that the resolution proclaims our aim not simply in the word "peace" but as "just and lasting peace". It links this with "the dignity of man" and "the moral principles which alone lend meaning to his existence". This concept is echoed in a reference to our determination to defend freedom.

It is well that the resolution makes clear that while we covet peace, we will not sell our souls for it. The peace we seek is not simply the absence of war but a sound and free collaboration among nations in a pattern of responsibility based on mutual respect. Peace in the first sense might be obtained by moral capitulation. Peace in the sense of our seeking can be achieved and held only by long, hard effort. We and our allies with us are determined to create that kind of peace. The goal would be brought incalculably nearer with help rather than hindrance from the Soviet Union.

---

pressing the friendship of the people of the United States for the people of the Soviet Union. Two draft letters prepared in the Department were discussed, and both McMahon and Ribicoff agreed on the desirability of the longer, more informal draft. McFall was given the responsibility of redrafting the letter in terms suitable to McMahon and Ribicoff. (Memorandum of conversation by Acheson, March 15, 611.61/3-1551)

The text of the letter printed here was released to the press on March 21 and was printed in Department of State *Bulletin*, April 2, 1951, pp. 556-557 together with the text of the proposed McMahon-Ribicoff Resolution.

For the text of the resolution as approved by both the Senate and the House of Representatives in June, see Document 786.

[2] Not printed.

That brings me to the second point of special significance. It is well that in affirming our friendship for all peoples the resolution specifies the peoples of the Soviet Union. That special concern to express our friendship extends, I am sure, to all other peoples in Europe and Asia, including China, now suffering the tragedy of life behind the iron curtain. The great structure of peace which the United States and its allies are building will never be complete until all the peoples now under domination by the Kremlin participate in full partnership. Here, however, we speak specifically of the peoples within the Soviet Union proper.

Were the truth available to them and were they free to speak their minds and register their will, I am sure they would answer us in the same spirit.

They are capable and hard working peoples who love their homeland. We recall with fresh admiration their sacrifice and courage under the ordeals of the Nazi invasion. We are in constant awareness of their gifts to civilization and of their potential for still further gifts to enrich other cultures. The wall which the Soviet rulers, impelled by inward fears, maintain around their dominion represents tragedy for those within it. To those outside it represents real and deep deprivation.

It will be well if the peoples within can be caused to know that those beyond regard them, not with hostility as represented to them by their rulers, but with an inherent friendliness. It will be well for them to know that we understand the heavy burdens they bear, particularly in the circumstance that the course determined upon by the group in control bars them from the fruits of the secure and steady peace which they have so greatly earned.

As the third point of special significance, I refer to the closing lines of the resolution expressing the idea

"That the Congress request the President of the United States to call upon the Government of the Union of Soviet Socialist Republics to acquaint the people of the Soviet Union with the contents of this resolution."

These words point to the opportunity which the men of the Kremlin have for setting affairs on a better course. No others are in such a position to say the words and perform the acts which can either strengthen or confound men's hopes.

In a curious way they mirror themselves in their interpretation of the outside world. As monopolists of power, they profess to see in other governments the evil of monopoly. Dominated by hostility toward all contrasting systems, they profess to see that characteristic reflected in the systems they fear and hate. Maintaining in readiness armaments of such excess as to be explained not on a

basis of defense but only by the desire to intimidate others, they pretend to regard other nations as bent upon aggression.

If the men of the Kremlin could but conquer their inward fears and resolve their contradictions, if they could but bring themselves to the comity which is the foundation of peace, great burdens would be lifted from the shoulders of peoples everywhere.

A start could be made by letting the truth flow freely into and within the Soviet Union. This would mean an end to the practice of systematically distorting to the peoples of the Soviet Union the policies and intentions of governments free of its domination and the conditions of life beyond the Soviet orbit. It would reduce the dangerous disparity of public information now obtaining as within and beyond the span of Kremlin control.

In our own country, for example, the press, radio and television are free to present all sides of every issue. The Soviet case is fully reported. Attitudes and pronouncements originating in the capitals of the Soviet system are made freely available to our people, who are left free to resolve their wills on the basis of full possession of essential facts. In contrast, the monopolistic system of information within the Soviet area makes available only the ruling group's side of every issue. There truth is made the servant of policy rather than policy the servant of truth.

It is significant, for illustration, that the plan for international control of atomic energy, approved in the United Nations General Assembly in the fall of 1948 by a vote of 40 to 6, [3] was never imparted to the peoples who got their information through the Soviet monopoly. This plan for placing atomic energy under international control, limiting its uses to peaceful purposes and establishing an adequate system of inspection and control to neutralize its constructive potential, was opposed by the governments of the Soviet system. This fact has been withheld from the peoples within that system.

The same occurred with respect to the General Assembly Resolution on the Essentials of Peace, reaffirming the principles of the Charter and endorsed in 1949 by a unanimous vote of all nations other than those within the Soviet orbit. [4] Its principles and the implications of the clear division on them have never been explained to the peoples behind the iron curtain.

The same applies to the action of the General Assembly last fall in support of the Resolution on Uniting for Peace. This plan for

[3] The reference is to the Resolution of the U.N. General Assembly of November 4, 1948.

[4] The reference is to the Resolution of the U.N. General Assembly of December 1, 1949.

strengthening the General Assembly with respect to security matters, supported by 52 nations, drew implacable hostility from the Kremlin and the governments under its control. [5] The facts and their enormous implications have not been imparted by the Kremlin to the peoples whom it professes to represent.

These three examples chosen from many instances illustrate that the walls impeding the flow of information are also obstacles of crucial importance in the course to a sound and lasting peace.

DEAN ACHESON

[5] The reference is to the Resolution adopted by the U.N. General Assembly on November 3, 1950.

## No. 770

601.6111/3-151

*The Assistant Secretary of State for Congressional Relations (McFall) to Representative Thomas J. Lane* [1]

[WASHINGTON,] March 20, 1951.

MY DEAR MR. LANE: Reference is made to your letter of March 1, 1951, [2] acknowledged by telephone on March 9, 1951, forwarding for the Department's comment a copy of the remarks which you made in the House of Representatives on March 1. In these remarks you recommend that the official personnel which the Soviet Government sends to the United States and the travel of this personnel in the United States be placed on a reciprocal basis with regard to the number of official personnel of the United States in the Soviet Union and the travel privileges of American official personnel in that country.

Your remarks refer to two important questions concerning United States-Soviet relations which are under continual consideration in the Department. The comments of the Department with regard to these matters are presented in the following paragraphs.

The exchange of official representatives between two governments is rarely susceptible to treatment on a numerical parity basis. In almost every instance one country or the other will re-

[1] Drafted by James (EUR/EE) and approved by Reinhardt (EUR/EE) and Davis (EUR/EE). According to the source text, the letter was "rewritten at H direction." The letter and its enclosures were subsequently printed in Department of State *Bulletin*, April 23, 1951, pp. 649-651.

[2] This letter transmitted a copy of Representative Lane's remarks delivered on the floor of the House of Representatives that day and asked the Secretary of State to "kindly furnish me with your official pronouncement in response to the suggestions contained therein." (601.6111/3-151)

quire a larger official establishment. Actually the variety of functions which the American Foreign Service is expected to perform, including complex visa and passport services and a wide range of reporting on political and economic subjects, is so great that the diplomatic and consular offices of the United States in any foreign country tend to be larger than that country's official representation in the United States.

An analysis of the number of Soviet officials in the United States reported to the Department of State by the Soviet Embassy up to March 5, 1951 and comparable American personnel in the Soviet Union as of the same date indicates that Soviet and United States official representation is practically on a parity basis. This analysis includes Embassy officials, correspondents and commercial representatives of the two countries. It excludes Soviet representation to International Organizations in the United States which have no counterpart in the Soviet Union.

There are enclosed two sheets which present United States official personnel in the Soviet Union and Soviet personnel in the United States as of March 5, 1951. You will note that the Soviet list carries a comparative list of Soviet personnel in the United States as of July 1, 1950. While on the face of these lists there appears to be a numerical disparity in representation in favor of the Soviet Union, an analysis of the figures gives a different picture. On March 5 the United States Government had official personnel numbering 101 with 16 dependents assigned to the American Embassy in Moscow. The Soviet counterpart of this figure is official Soviet personnel numbering 88, with 125 dependents (70 wives and 55 children) assigned to the Soviet Embassy in Washington. Thus, the United States has 13 more official employees in the American Embassy in Moscow than the Soviet Government has in the Soviet Embassy in Washington. Since no international organization of which the United States is a member has its headquarters in the Soviet Union, there can be no United States personnel in the Soviet Union comparable to the Soviet personnel assigned to the United Nations; namely, 121 (52 official employees, 38 wives, 31 children). If from the 381 total Soviet official personnel in the United States, there is subtracted 121, which is the Soviet representation, including dependents, to the United Nations, and 153 which represents Soviet dependents in the United States other than dependents of Soviet United Nations employees, the total Soviet official employees in the United States would amount to 107, 6 more than the 101 United States official employees in the Soviet Union, minus dependents.

With regard to Soviet restrictions on the travel of foreigners, the Union of Soviet Socialist Republics is divided into "free" and prohibited areas for diplomatic and consular personnel of foreign na-

tions in the Soviet Union. Foreign officials on duty in Moscow may not travel more than 50 kilometers from the city limits with the exception of three points of historic interest to which foreigners may travel after appropriate notification to the Foreign Office. In general, all border areas and all of the Central Asian Republics, the Caucasus with the exception of Tbilisi, the Baltic States, and the western areas of the Ukraine and Belorussia including the capital cities of Kiev and Minsk are within the zones prohibited to foreign officials. Although most of the Siberian area is technically "free", in practice it is greatly restricted owing to the fact that the important cities are forbidden areas. In order to travel to "free" areas foreign missions must notify the Foreign Office in advance of the name and the itinerary of the traveler. Under this procedure, members of the Embassy's staff in Moscow have been able to make frequent trips to "free" areas during the past two years.

The question of applying travel control measures to Soviet official personnel in the United States is under constant review by the United States Government agencies concerned. Restrictions upon the travel of Soviet officials will be imposed whenever it is evident that such action is in the over-all interest of the United States.

Sincerely yours,

JACK K. MCFALL

[Enclosure 1]

*Report Prepared in the Department of State*

TOTAL U.S. OFFICIAL PERSONNEL IN THE SOVIET UNION
MARCH 5, 1951

| | | |
|---|---|---|
| *Embassy:* | | |
| State Department | 64 | |
| Navy Attaché Staff | 13 | |
| Army Attaché Staff | 18 | |
| Air Force Attaché Staff | 6 | |
| Dependents | 16 | |
| | 117 | |
| U.S. NON-OFFICIAL PERSONNEL IN THE SOVIET UNION | | |
| Clergymen | 1 | |
| Newspaper Correspondents | 6 | |
| Businessmen (composed at present of fur buyers—an approximation) | 2 | |
| | 9 | |
| Grand total | | 126 |

Breakdown of figures used in the compilation "Total US official personnel in the Soviet Union March 5, 1951" attached hereto:

| | | |
|---|---|---|
| *State Department:* | | |
| Male Employees including Ambassador, Foreign Service Officers | 15 | |
| Foreign Service Reserve Officers | 1 | |
| Foreign Service Staff Personnel | 25 | |
| Female Employees, unmarried (Foreign Service Staff) | 8 | |
| Working Wives (Foreign Service Staff) | 15 | |
| Total working personnel | 64 | |
| Dependents (non-working—includes 2 wives and 9 children) | 11 | |
| Total State Department | | 75 |
| *Navy Department:* | | |
| Naval Officers | 5 | |
| Enlisted Men | 8 | |
| Total | 13 | |
| Dependents (2 wives included in "working wives" above and 1 daughter included in "Female Employees, Unmarried" above—1 dependent child) | 4 | |
| Total Navy Department | | 14 |
| *Department of the Army:* | | |
| Officers | 5 | |
| Warrant Officers | 1 | |
| Enlisted Men | 12 | |
| Total | 18 | |
| Dependents (2 wives included in "Working wives" above; 2 dependent wives) | 4 | |
| Total Army | | 20 |

| | | |
|---|---|---|
| *Air Force:* | | |
| Officers | 3 | |
| Enlisted Men | 3 | |
| Total | 6 | |
| Dependents (1 wife included in "Working Wives" above; 1 wife and 1 dependent child) | 3 | |
| Total for Air Force | | 8 |
| Grand total | | 117 |

[Enclosure 2]

*Report Prepared in the Department of State*

SOVIET OFFICIALS IN U.S.A. AS OF MARCH 5, 1951 *

| | | *Comparative figures July 1, 1950* |
|---|---|---|
| *Summary* | | |
| Embassy Personnel | 88 | †86 |

* Figures based on Note 8 of January 27, 1951 from Soviet Embassy reporting Soviet citizens, employees of Soviet State institutions, Soviet missions, and other organizations to be found in the USA as of January 1, 1951 and Note 7 of January 24, 1951 and Note 11 of February 7, 1951 which showed further personnel changes. [Footnote in the source text.]

† Soviet officials in U.S.A. as of July 1, 1950. Figures based on Note No. 113 of July 13, 1950. Soviet Embassy reporting Soviet citizens, employees and other organizations in the U.S. as of July 1, 1950. [Footnote in the source text.]

| | | |
|---|---|---|
| International organizations | 52 | 59 |
| Purchasing commission | 2 | 2 |
| Tass | 7 | 7 |
| *Pravda* Correspondents | 2 | 2 |
| Amtorg | 7 | 17 |
| Correspondents of All-Union Radio Committee of USSR | 1 | 1 |
| Wives | 124 | 132 |
| Children | 98 | 103 |
| Dependent relative | 0 | 1 |
| Grand total ‡ | 381 | 410 |

*Breakdown*

| | | |
|---|---|---|
| Embassy of the USSR: | | |
| Accredited Officers of Embassy | 40 | 39 |
| Employees of the Embassy | 48 | 47 |
| | 88 | 86 |
| Wives of Embassy Officers | 32 | 31 |
| Wives of Embassy Employees | 38 | 38 |
| | 70 | 69 |
| Children of Embassy Officers | 23 | 24 |
| Children of Embassy Employees | 32 | 28 |
| | 55 | 52 |
| Dependent Relative of Embassy Personnel | 0 | 1 |
| | 0 | 1 |
| Total Embassy | 213 | 208 |
| United Nations: | | |
| USSR Representation to UN | 49 | 55 |
| Wives of USSR Representatives | 35 | 39 |
| Children | 30 | 37 |
| | 114 | 131 |
| USSR Members Military Staff Com. | 3 | 4 |
| Wives of members of Military Staff Committee | 3 | 4 |
| Children | 1 | 2 |
| | 7 | 10 |
| Total United Nations | 121 | 141 |

‡ In addition to this total, there are 12 Soviet citizens employed by the Secretariat of the United Nations who are accompanied by 12 wives and 6 children (Total 30). [Footnote in the source text.]

| | | |
|---|---|---|
| Government Organizations: | | |
| Purchasing Commission | 2 | 2 |
| Wives of Members | 2 | 2 |
| Children | 2 | 2 |
| | 6 | 6 |
| Tass Employees | 7 | 7 |
| Wives | 6 | 6 |
| Children | 5 | 3 |
| | 18 | 16 |
| *Pravda* Correspondents | 2 | 2 |
| Wives | 2 | 1 |
| Children | 1 | 0 |
| | 5 | 3 |
| All-Union Radio Committee Correspondents | 1 | 1 |
| Wives | 1 | 1 |
| Children | 2 | 1 |
| | 4 | 3 |
| Amtorg Employees | 7 | 17 |
| Wives | 5 | 10 |
| Children | 2 | 6 |
| | 14 | 33 |
| Total Governmental Organizations | 47 | 61 |
| Grand Total | ‡381 | 410 |

## No. 771

761.00/4-1351

*Memorandum for the Record, by the Deputy Special Assistant for Intelligence (Howe)*

SECRET [WASHINGTON,] April 13, 1951.

In the course of discussing other matters with Chip Bohlen, [1] he emphasized the attention which should be put upon the further

[1] Bohlen, Minister in France and Adviser on the U.S. Delegation to the Four-Power Exploratory Talks in Paris on the possible convening of a session of the Council of Foreign Ministers, was in Washington for consultation regarding the Four-Power talks.

measures taken by the Russians in collectivization. He says that it is now clearly on the books that the USSR will embark on measures which he describes as being a "proletariatization" of the peasants. The big question, according to Bohlen, is whether the Russians will actually take steps to put it into effect, for if they do it will be seriously disruptive from the standpoint of the economy and will evoke considerable popular opposition, and in the face of these factors may well indicate that the USSR is not in fact planning war in the next two years. If successful in carrying out the intent of the decrees it would mean, of course, a drastic strengthening in the internal control mechanisms.

Bohlen is also concerned that "Washington" is getting too fixed in its views on the USSR and its estimates, tending to treat the Soviet problem as black and white in terms of Soviet intentions and plans. He is, along the same lines, concerned that we do not assume always that the Soviets will understand our intentions as we understand them. As an example of this, he cites the MacArthur change [2] which the Soviets would interpret as representing no change in the aggressive intention of the US, but rather a tactical retreat under the pressure of our Allies.

FISHER HOWE

[2] The reference here is to President Truman's relief of General MacArthur from his commands in Korea, Japan, and the Far East on April 11.

## No. 772

032/4-2051

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Reinhardt)*

CONFIDENTIAL [WASHINGTON,] April 20, 1951.

Subject: Proposed trip of U.S. industrialists to Soviet Union

Participants: The Secretary
Mr. Frederick Reinhardt, EE
Mr. Charles E. Wilson, Director of Defense Mobilization
Mr. Wm. W. Lancaster of Sherman, Sterling and Wright, New York City
Mr. Clarence Pickett, Executive Secretary, American Friends Service Committee

Messrs. Wilson, Lancaster and Pickett called by appointment [1] to discuss the project of a trip to the Soviet Union by a group consisting of Messrs. Charles E. Wilson of General Electric, Chester Barnard, Rockefeller Foundation, Frank W. Abrams, head of the Standard Oil Company of New Jersey, Henry Ford II, William W. Lancaster and Clarence Pickett. (See Mr. Kennan's memorandum to the Secretary of March 13 [2] and EE memorandum of March 27 [3] reporting a conversation between Mr. Pickett and Mr. Reinhardt on this subject.)

Mr. Pickett began the conversation by reviewing briefly the history of the project. He emphasized that all the members of the group, with the possible exception of Mr. Henry Ford II, were convinced of the importance and potentialities of such an effort on the part of prominent American industrialists to breach the Iron Curtain and that although they were very much aware of the difficulties and dangers which surrounded such a project they felt they must pursue it further.

Mr. Lancaster covered the same ground, reviewing the history of his periodic contacts with Messrs. Gromyko and Malik and argued the importance of such a trip to the Soviet Union by outstanding American industrialists along the lines of the attached memorandum [4] which he presented to the Secretary in this connection. He said that although such a journey would be of course unofficial, nevertheless in view of the times it was understandable that the interested persons felt that they could not go through with it in the absence of approval from high official quarters.

Mr. Wilson stated that as a member of the Government he was of course no longer available for this project but as he had mentioned to the Secretary on previous occasions he was indeed interested in it. He recounted the inception of the idea and emphasized his clear impression that Mr. Malik was definitely taken with it. Mr. Wilson said that he of course did not know whether Malik's enthusiasm was for good or evil but the fact of his enthusiasm had been very evident.

The Secretary said to the group that it was an unfortunate but very pertinent commentary on the present state of relations with the Soviet Union that the desire of a group of prominent American citizens to visit the Soviet Union should pose such a problem. It would definitely mark an improvement in these relations when it

---

[1] The appointment was arranged following a letter of April 5 from William Lancaster to the Secretary of State and a subsequent telephone call from Clarence Pickett, of undetermined date, to the Office of the Secretary of State. (032/4-551)

[2] Document 768.

[3] Not printed, but see footnote 3, *ibid.*

[4] Not printed.

would be possible for such a group to make the journey without it becoming headline news. There seemed little prospect at the present time, however, of such an improvement in our political relations with the Soviet Union as to make this possible. We were doing everything we could in the deputies meetings in Paris to find a reasonable basis for discussion of the grave problems which separated us and our allies from the Soviet Union. We were confronted in Korea with the immediate task of resisting Communist aggression in that country and the Secretary stressed the importance that nothing be undertaken at this time which might in any way be open to misunderstanding or possibly compromise the position of this Government at such a serious and tense moment in history.

In the situation that prevailed today it was an unavoidable fact that a visit of a group of prominent American industrialists to the Soviet Union would be nothing less than a sensational event, into which the U.S. press as well as the foreign press would read all kinds of meanings. A negative press and public reaction would only contribute to the present tensions and make matters even worse than they are, thus prejudicing the chance for eventual improvement in those relations. On the other hand, in the event of a favorable press and public reaction, there is the grave danger that the press would go overboard and portray the visit as proof that Soviet policy had changed, that the cold war was over, and that accordingly the West could now relax, give up its rearmament and other defensive undertakings and assume normal relations with the Soviet Union. The Secretary said it was clear to him that both of these two possible reactions were not only undesirable but indeed dangerous. In brief, it was his view that this was not the moment to undertake the proposed trip to the Soviet Union. The Secretary said that he was of course prepared to discuss the matter again with the group at such time as a change in the world situation might warrant a reconsideration of the project.

Before leaving, Mr. Pickett inquired whether the Secretary felt an unpublicized visit to the Soviet Union by a group of Quakers, if it were made possible by the Soviet Government, were equally undesirable at this time. The Secretary replied that although it would clearly not evoke the same sensational reaction in the press he nevertheless believed that the considerations he had already advanced had general application here. Mr. Pickett then asked whether, if such a project should become a real possibility in the future, he might discuss it with officials of the Department, to which the Secretary gave an affirmative answer.

## No. 773

661.00/4-2551: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

TOP SECRET Moscow, April 25, 1951—1 p.m.

1869. Pass Defense and CIA. Embassy's annual report on Soviet intentions is being transmitted with despatch 626, April 25. [2]

Embassy believes Soviet leaders are still on wave of power position attained in World War II and, in capitalizing thereon for the prosecution of their total war against the free world, are employing separately and in combination political, psychological, economic and military weapons. Politically-psychologically they are concentrating on efforts to mobilize susceptible sentiment among world opinion to exert pressure on free world governments designed to undermine the authority, determination and ability of free world to resist Communist imperialism. Principal instruments such pressure are concurrent emphasis on "peace" campaign and increasing subversive, war of nerves, et cetera, tactics. Economically Soviets continue major emphasis on build-up USSR military economic potential and consolidation to this end of productive capacities satellites. Militarily Soviets have committed to direct aggression military forces of subservient regimes which they have covertly supported.

In our view Soviets intend to exploit possibilities which present themselves to capitalize and intensify their drive toward their imperialist objectives to maximum. Anticipate that they are prepared incur major risks of precipitation global hostilities. At same time they seem anxious avoid direct commitment their major strategic reserve, armed forces of USSR, apparently since they are uncertain successful outcome of prolonged military struggle with free world and believe that by application continued pressures of other types, they will eventually create situation more favorable to engagement their ultimate weapon. In latter connection, however, it is noted, particularly by service attachés, that Soviets could conclude that current period is moment to launch all-out attack. Such conclusion could stem from estimate by Kremlin that (1) their present relative military position is of sufficient superiority to risk all-out effort now or (2) that growing Western defense promises continue indefinitely and that prospects relative improvement Soviet power position foreseeable future virtually nil. In either event and especially

---

[1] Repeated to London, Paris, and Frankfurt on April 26.

[2] *Infra.*

if Soviets convinced free world will inevitably attempt destroy Soviet Communism when able to do so, Soviets might determine to cast die without delay.

Embassy feels Soviets have received setbacks in past 12 months particularly in Korea and through beginnings implementation NAT and that maintenance present uneasy balance and eventual betterment situation in favor of forces of freedom depends in last analysis on determination free nations to remain united and to increase resistance forces rapidly to extent necessary convince politburo military adventure against free world would inevitably be disastrous.

Embassy convinced center gravity malignant danger to US still lies Western Europe but that threats to Asia and Mid-East area, where situation seems most ripe at present for Soviet aggressions, are of serious import.

Department may also wish repeat to London for Gifford and Spofford; Paris for Bruce, Jessup and MacArthur; Bonn for McCloy.

KIRK

---

## No. 774

661.00/4-2551: Despatch

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

TOP SECRET

Moscow, April 25, 1951.

No. 626

Ref: Embassy despatch 514, April 25, 1950. [2]

Subject: Embassy Estimate of Soviet Intentions

In accordance with established practice I have the honor to transmit herewith a report entitled "Soviet Intentions", prepared by the Embassy political and economic officers and the Attachés of the Defense Department, as indicated on the first page thereof. This report constitutes an effort to analyze Soviet intentions as of April 25, 1951, in the same manner as did the report on the same subject transmitted with the Embassy's despatch under reference for April 1950.

It should be noted that, while the enclosed report constitutes the best efforts of the Embassy to analyze the various aspects of international developments and conditions which are presumed to influ-

[1] Drafted by Ambassador Kirk and Counselor of Embassy Barbour.

[2] For text, see *Foreign Relations*, 1950, vol. IV, p. 1164.

ence Soviet thought and thus to point in some measure to conclusions in regard to Soviet intentions, the sources of information available to the Embassy are consciously restricted by the Soviets, and the importance of imponderables in an estimate of this kind is consequently immensely enhanced.

Briefly summarized, it is the Embassy's belief that as of the spring of 1951 the Soviet leaders continue to consider the Soviet Union as engaged in a total war with the Free World; and that basically they continue to estimate that they can capitalize in the tactical execution of their designs on the various social changes and economic dislocations which have resulted from World War II. They are employing numerous weapons and instruments of policy to attain their war-like objectives on four separate but interlocking fronts, namely, political, psychological, economic, and military. Politically-psychologically Soviet efforts are concentrated on mobilizing neutralist, defeatist, uncertain sentiment among the peoples of the world to exert pressure on the Free World governments, designed to undermine the determination of the Free World, and consequently the ability of the Free World governments, to resist communist imperialism firmly. By and large, Soviet efforts to exert that pressure take the form (1) of a world-wide "peace" campaign devoted to portraying the Soviet Union and its satellites as the champion and rallying point for peace, and (2) of increasing tensions and turmoil in the Free World by subversive and war-of-nerves tactics. Economically, the Soviets are continuing their major effort to increase their military-economic potential, both in the USSR homeland and by consolidating the productive capacities of their satellites. Militarily, they have committed to direct aggression the military forces of subservient regimes and have covertly supported such aggression by the diversion of military matériel, etc. They may be expected to continue to do so in any area where they calculate such action as unlikely on balance to result in global hostilities. At the same time they appear careful to avoid the direct commitment of their major strategic reserve, the armed forces of the USSR, apparently on the theory that they are not sufficiently confident of the successful outcome under present circumstances of a prolonged military struggle with the Free World; and in the conviction, according to Marxist-Leninist doctrine, that continued pressures of other types on their enemies will eventually create a situation more favorable to the engagement of their ultimate weapon.

In this latter connection, however, it should be carefully noted that a misjudgment, on our part, of Soviet thinking might overlook the possibility that the Kremlin leaders could estimate 1) that their present relative military position gives them superiority sufficient to warrant the risk of an all out military effort at this time, or 2)

that the growing Western defense efforts, which at a minimum seem likely to reverse the imbalance of relative forces in the next few years, might bear sufficient promise of continuing indefinitely to eliminate the prospects of the Soviet situation improving in the foreseeable future. In either event, and particularly if the Politburo believe that the Free World would inevitably endeavor to destroy the Communist citadel as soon as it became strong enough, the Soviets might determine that their interests dictate the precipitation of armed hostilities against the West without delay.

In considering the probable present posture of Soviet intentions, we have been particularly mindful of the evolution of the Free World-Communist struggle during the twelve months since the last report. Politically and psychologically, it seems clear that the clarification of the issues in Free World public consciousness has cut considerable ground from under the various communist forces, as implements of USSR policy, throughout the West. Divisive efforts have on the other hand been notably successful in Asia and intimidation, etc., seems to have borne some fruit both there and in certain sections of the Middle East. Soviet efforts to capitalize on these developments are reflected in the impetus it has given, during the period, to the "World Peace Movement" and to subversion, notably in the exploitation of nationalistic aspirations in Iran, and other areas. Economically, the Soviets have continued and augmented their buildup of the Soviet military machine. However, ostensibly on the ground that Western defense efforts have artificially postponed the anticipated United States economic collapse, the Soviets have changed their attitude (at least temporarily) and no longer claim that such a depression is imminent. Militarily, it seems clear that the united Free World's counter to the challenge of communist aggression in Korea has disrupted the Soviet's timetable in Asia. In Europe the implementation of the North Atlantic Treaty has reversed Soviet momentum and has deterred the USSR from offensive action to date.

It is believed that the principal deterrent to Soviet temptation to commit the Soviet military might in an all-out attack against the West has been, and will continue to be, the degree to which the Free World has been able to rearm itself, and to stand united in the face of the communist menace. In my view the key to the maintenance of the current uneasy balance and the further betterment of the situation in favor of the forces of freedom, is the determination of free nations to remain united, and to increase their resistance forces rapidly, to the extent necessary to convince the Politburo that a major military adventure against the Free World can have no chance of success.

We must, however, bear in mind that serious inroads upon the Western World's sources of raw materials are threatened in the Asian and Middle Eastern areas. Were we to lose our supplies of tin, rubber, bauxite and petroleum (to name a few critical items) derived from Southeast Asia and the Persian Gulf, not only would our war reserves be definitely curtailed, but our ordinary peacetime commerce be disrupted to a dangerous degree. The current situation in Persia whence petroleum and its products are ceasing to flow into the normal channels of trade, is a matter of grave concern to the normal life of Western Europe. For the Western World to be denied access to such primary products is one thing, but to have the Soviet Union be their recipient is quite another matter. Tactics of this sort are incipiently as menacing to our whole position, as more overt actions.

In my view, the center of gravity of malignant danger to the United States still lies in Western Europe. It is to that highly industrialized and organized area that our most vital interests are tied, because, quite apart from natural and cultural predilections for preserving a free Europe, we have with that part of the world more concrete and selfish interests at stake. Our economic life is there geared to a similar system of free enterprise, whose obliteration would spell disaster.

While, as was pointed out last year in my covering despatch, we tend in analyses of this sort to accentuate the elements of strength accruing to our enemy, yet it is important to reemphasize the ruthless realism that exists in the Politburo's approach to international problems. There is no sentiment of gratitude, no wish to compromise, in their attitude—when they are strong. *Now* they are strong, and will only commence to adjust to events when we are strong.

Therefore, we, the Western World, must continue energetically to increase our actual strength in order that our voice shall be listened to with respect.

Also, we must be firm in our attitude on vital matters concerning the national interest, showing a united front to the Communist World.

Lastly, we must be consistent in our foreign policies, with no signs of faltering or wavering. It is necessary for our country to understand the threat which menaces our national life, and to accept the burden of continuous readiness to resist all attempts, both open and hidden, to undermine our free democracy.

(It will be appreciated if the Department will transmit copies of this despatch and its enclosures to Ambassadors Gifford, Spofford, and Bruce, and to High Commissioner McCloy. Also, to the Depart-

ments of Defense, Army, Navy, Air, CIA, and to General Eisenhower.)

ALAN G. KIRK

Enclosure

*Report Prepared by the Embassy in the Soviet Union*

TOP SECRET [Moscow,] April 25, 1951.

SOVIET INTENTIONS

[Here follows a detailed table of contents including the names of Embassy officers who drafted the various sections.]

I. CONCLUSIONS [3]

In the course of the continuous war for the seizure of world power and for the establishment of its brand of world communism which has been waged by the Kremlin ever since the Bolsheviks moved in as the masters of Russia—a struggle such as envisaged by the doctrines of Lenin and Stalin—the Soviet leaders now find themselves in a stage of their campaign which calls for the attainment of maximum gains from the favorable power position which developed for them during and immediately after World War II.

Apparently recognizing that they lack sufficient industrial potential to assure victory in a long struggle with the Free World countries and facing quick and disastrous retaliation in the form of an atomic attack for any direct military move against the leading Western powers, they appear, on the one hand, to be desirous of avoiding a world conflict requiring irrevocable committment of the large Soviet military machine, but on the other hand, to be willing to accept serious risks along this line in their endeavor to carry the present tide on either to full victory, or to a maximum improvement of their physical position in the face of invincible opposition from their enemies.

They appear to be intent on carrying this program forward in the present period under a general strategy calling for propelling the momentum of Communist Chinese civil war successes forward by force of arms in an effort to expand the portion of the world's natural resources under their control through the conquest of undeveloped areas of the Far East and at the same time to institute an attrition process which could have a decisive influence on the

[3] Drafted by Counselor of Embassy Freers.

development of a revolutionary situation in the advanced industrial countries of the West.

An essential arm in carrying their plans forward is their diplomatic and psychological offensive which plays upon the war weariness of the peoples of the world and the fear of a new war generated by military conflict in the East and sabre rattling in the West and offers salvation along the path of popular imposition on Free World governments of the announced objectives of the Soviet "peace" policy. A characteristic feature of the Soviet Government's political activity in the post war period has been its persistent practice of attempting to make a direct approach to the peoples of the Free World over the heads of their governments and its concurrent unwillingness to deal with those governments as if it considered them capable of committing their countries to a future course of action.

A significant feature of the past year's developments is the intensification that has occurred with respect to both aspects of this grand strategy. In the Far East Communist forces are engaged in conducting extensive military operations against a coalition of the leading Free World countries. In the Free World itself the diplomatic and psychological offensive has reached new heights in an endeavor to arouse the people to take the management of their affairs into their own hands. The rapid rearmament of the United States and the quickening efforts to rearm Western Europe have, however, injected into the situation a new factor which was probably not fully anticipated and have shed some doubt on the possibility of continuing intensification of dual forces of this strategy, particularly the one involving military operations, without risking armed conflict on a world scale, which the Kremlin does not appear to desire. Such a risk is now greater at each sensitive point along the Soviet orbit perimeter. Hence the Kremlin's freedom of action has been somewhat circumscribed by the recent course of events and the time brought nearer when it must decide to take the full risks under this policy or alter it. What signs are available to the Embassy seem to indicate that the Kremlin intends to carry on along the lines of this strategy, generating as much turmoil as possible in the Free World but probably directing its troublemaking activities to the points and issues which entail the least risk of irrevocable commitment of the Soviet armed forces. It probably feels that there is a large area still open to it for extending covert military support to other Communist armies in Asia, perhaps enough to be decisive for victory there.

There are among the year's developments many which could lend encouragement to the Soviet rulers in pursuing the policy they seem to be following now. The assembling of a force in West-

ern Europe that would be strong enough to attack them is proceeding very slowly in spite of what improvement there may be in the defensive capabilities of that area. It has been demonstrated that there are issues which afford prospects for breaking India and other Asian and Arab nations away from the Free World bloc if skillfully played upon. Popular pressures in England and France have forced on three reluctant governments agenda talks for a prospective meeting of the Foreign Ministers of the Big Four powers. The Chinese question and Middle East oil have given rise to difficulties suggesting a potential cleavage between the United States and the United Kingdom themselves.

An impression that the Soviet leaders do not expect to cast the die for good, at this time at least, is left by what appears to be the present stage of progress in certain of their important programs. Large economic projects and agricultural changes are planned for the USSR for the next few years. The peace movement is just passing out of its formative stage and moving on to a more ambitious and specific course of action. The psychological indoctrination of the Soviet population for war against their recent allies seems still to be in an early period of development. None of these signs, of course, is conclusive.

The question of whether time, as calculated in terms of the next few decades rather than the next few years, is working on their side or not, is undoubtedly a vital consideration in Soviet plans for the future. Both their fundamental doctrine and their practical experience with the economic development of the USSR, as they interpret them, may well impel the Kremlin rulers to feel that they can consolidate and develop the resources of the area they already control more effectively in the long run for their purposes than can their enemies. They seem to count on centralized planning and a complete, ruthless control of a huge disciplined labor force to enable them to concentrate energies toward building up their economic military potential more effectively than the Free World governments. In the same way, they can work toward consolidating their control over Eastern Europe to the point where the ability of the Free World to use its future assembled power to prosecute successfully a cold war against them in that area would be greatly impaired.

In the light of all the above, therefore, it is likely that the Kremlin will proceed during the next year to continue to generate turmoil in its effort to set Free World peoples against their governments and to improve its power position with respect to them. This will probably involve further military action in the Far East primarily with Chinese forces supported substantially but unofficially by the USSR with the expulsion of UN troops from Korea, the con-

quest of Formosa and expansion into Southeast Asia as major objectives. Elsewhere along the periphery of the Soviet orbit Iran, Yugoslavia and Germany are the principal foci of attention and any faltering in Free World unity and determination might tempt the Kremlin to move at these points. It will continue and perhaps increase its psychological endeavors to isolate America from the rest of the world, slow down and stop defense preparations in the NATO countries and prevent German and Japanese rearmament. Meanwhile, it will probably continue to build up its own armed forces and those of its Eastern European satellites in the event their participation in a military clash becomes necessary or desirable.

The above conclusions stem from interpretations placed by the Embassy on developments and statements known to it. There are certain intangibles in the situation which could invalidate the reasoning behind these conclusions. It may be, for example, that behind the shield of concealment the Soviet rulers have developed the means for overcoming what appears to be a disparity of long term potentiality in favor of their enemies, or perhaps, the means for successfully warding off a heavy attack with atom weapons. It may be that there are rash elements in top policy positions who favor casting caution to the wind and yielding to the temptations to use present military superiority to solve the immediate difficult problems. The men in the Kremlin may even feel that the present build up in the military strength of its Free World opponents means that an attack upon them in this current epoch is inevitable and that their greatest hope for survival lies in moving now. In their psychological warfare they do, indeed, keep this concept very much alive.

As indicated, the Embassy's main concern has been to endeavor to assess as accurately as it could the information available to it and present in this paper the results of this assessment.

## II. ANALYTICAL SUMMARY [4]

*Political*

In the Far East the Kremlin is utilizing the popular national aspirations of dependent peoples to follow up the momentum of Communist victory in the Chinese civil war with armed conflict elsewhere. Because this is in any event an armed revolutionary struggle the Communists have in this area been able to conduct overt military hostilities and the situation is such that they are in general inhibited rather by the size of opposing armed forces in the field

[4] Drafted by Counselor of Embassy Freers.

than the risk of precipitating general conflict. The check to their advance in Korea has confronted them with the decision either to amass greater strength in the area for an endeavor to strike a decisive blow or to postpone a military showdown to a more propitious moment. All visible signs point to an inclination on their part to the first alternative which will certainly involve increased Soviet material support to the North Koreans and Chinese armies. More direct Soviet support would entail very grave risks of precipitating a world clash. With its diplomatic, psychological and economic weapons the Soviet Union is continuing to try to inflame antagonism on the part of the Asiatic peoples toward the advanced Free World countries of the West and to prevent the resurgence of a strong Japan aligned with the Free World. The Chinese Communist conquest of Formosa and expansion into Southeast Asia, although undoubtedly retarded by events in Korea, are probably still part of the Communist program in the East.

In Europe the Soviet leaders are bent on exploiting the war weariness of the Western European peoples and playing upon the anxious longing for peace. They are energetically attempting to ignite a flame of popular protest against governmental rearmament policies that entail burdensome sacrifices and to exacerbate natural divergencies between governments stemming from both their regional and world interests. Germany remains the main problem. Here for the time being Soviet preoccupation has shifted from the national scene where civil war was threatened as a consequence of unsuccessful attempts at peaceful unification to the international scene where a rearmed Germany is pictured as a menace to both East and West. On the whole the Communists have concentrated during the past year more on a psychological offensive in Germany than on the employment of physical pressure tactics as previously. The threat of violence has shifted instead to the Balkans where Yugoslavia is confronted with rapidly expanding satellite armies and being subjected to an intensive propaganda barrage and numerous border provocations. Possible aggressive satellite action here cannot be discounted but the military preparations going on can also serve to generate war fears as a foil for the peace movement or can represent the development of a buffer force for the long range defense of the Soviet orbit. Finland, because of its strategic position, constantly receives Soviet attention. However, the situation with respect to that country is such that the USSR could absorb it at will and would probably only do so as a prelude to further military action in Europe.

South Asia and the Middle East have been the scene of important Soviet political successes in the recent period. The split between India and the leading Western powers over China and Korea

is indicative of the potentialities for Soviet exploitation of divergencies of interests in the Free World. The association of other Asian and Arabic nations with India during the crisis over Korea highlights further this weakness in Free World unity. What may be of even greater significance in the short run is the extension of Soviet influence in Iran following the conclusion of a trade agreement with that country, an influence which may be extended further as a result of difficulties between Iran and Britain over the former's intention to nationalize the exploitation of its oil resources. In all the countries of this area the USSR is playing heavily upon economic difficulties and nationalist and religious movements to expand its influence.

The Kremlin has used its participation in the United Nations to obstruct the easing of points of friction in the Free World and to use the UN's prestige in an effort to mobilize world public opinion against the policies of the non-Soviet governments represented in it. The USSR's failure to prevent effective UN action in Korea and its failure to frustrate action within the organization to diminish the power of the veto has of necessity changed its attitude to UN as it now functions. The Soviet pronouncements on the subject imply that the Kremlin still prefers to enhance the prestige of the USSR through restoration of its position in the UN. However, the defeats of the past year have been accompanied by rapid development of the peace movement and the World Peace Council which is portrayed as constituting a forum more representative of the will of the peoples of the world than UN in which the major problems affecting "peace" are to be examined. The next General Assembly will no doubt serve to clarify the relationship of the WPC to UN and Soviet intentions regarding them.

*Psychological*

The morale of the Soviet people will probably have a decisive bearing on Soviet intentions only when it reaches one extreme or the other of buoyancy or depression. Under present circumstances its movement to an extreme would probably take place only as the result of a crisis abroad. No signs have manifested themselves during the past year that there has been any significant change in the morale of the Soviet people. Although there is evidence of much discontent, the applied and latent police control is almost certainly capable of assuring popular acceptance, passive though it may be, of present Soviet policies.

*Economic*

The USSR appears to be making steady progress in developing its economic resources and improving its industrial might. It also is going ahead with the integration of the satellite areas into a co-

ordinated development of the entire Soviet orbit area. This progress may not be as rapid as planned but it is almost certain that the orientation is toward greater concentration on those aspects of the economy that contribute to building up the sinews of war and thus such signs as dropping living standards in certain satellite areas may not be representative of the general strength of the economics of the various countries. However, the Soviet Union is still far from the attainment of the production goals described by Stalin in his speech of February 9, 1946 as essential to assure the Motherland against all contingencies. There is reason to believe that the Soviet leaders feel capable of developing their own resources within the next decade perhaps to a point where such defense of the USSR at least could be made regardless of the intentions of the Free World countries.

*Agriculture*

Total grain production for the year 1950 was approximately the same as that attained in 1940 but livestock herds are now appreciably smaller than they were just before the war. However the population to be supported by Soviet foodstuff production is greater now than it was then. The relationship of the supply and demand for foodstuffs on the whole Soviet orbit area is not known but there is no evidence available to the Embassy to suggest that there is surplus production in the satellite areas sufficient to alter the above picture for the Soviet Union radically. Certain large scale programs are under way, namely collectivization of agriculture in the Eastern European satellites and the consolidation of small collective farms into large ones in the USSR, which may eventually sharply improve efficiency in agriculture and result in increased strength in this sector for the support of military operations if the USSR becomes involved directly in them. The carrying out of these programs entails certain : cial readjustments which may react unfavorably on current production and the Soviets probably do not expect to reap real benefits from them for several years. They can, however, be abandoned if circumstances require that efforts be concentrated on immediate production and upon relieving the cause for broad disaffection on the part of the rural population.

*Military*

Taking the military picture into consideration, the Soviet Union has large mobilized strength in the shape of its own and its satellites' armies capable of achieving substantial initial success in military operations. It could probably over-run continental Europe (except Spain) and the Middle East in offensive action. It could, on the other hand, probably successfully defend the fortress of the USSR for a protracted period. Deterrents to its employment on the

initiative of the Kremlin are the great likelihood that an unfavorable balance of resources creates strong likelihood that it could not stave off disastrous defeat in a long war and the certainty that a damaging atomic attack could be launched against it by the United States in immediate retaliation to any move. At the rate at which military strength is being reassembled in the Free World countries it seems that a superiority of Soviet armed might will diminish over the next year or two to a point where its employment would not be productive of effective offensive action. Thus the temptation to use this force offensively can be expected to diminish in this period except as an act of desperation based on the belief that an attack on the USSR by the West is inevitable in this current epoch.

[Here follows the detailed body of the report, comprising 64 pages in the 73-page typewritten original.]

---

## No. 775

700.00-May Day/5-151: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

CONFIDENTIAL PRIORITY Moscow, May 1, 1951—6 p.m.

1894. May Day demonstration Moscow as usual affected distribution newspapers to central Moscow. As of 1630 no papers delivered Emb.

Intermittent rains finally culminated sharp torrential downpour drenching massed marchers; parade called off 1500. (Spontaneous *sic* paraders obviously bedraggled). (Military aspects parade being reported separately by Service Attachés.)

Speech by Min Armed Forces Marshal Vasilevsky marked by unusually vehement attack USA (noticeably applauded by satellites in diplomatic tribune). US alone singled out as enemy preparing aggression against Sov Union (not just peace loving people in general) and as having rejected all Sov overtures re disarmament, atomic energy control etc. In contrast USSR busy building for peace, e.g. dams, hydroelectric works.

(Confidential: Burmese Amb and Indian Min Counselor among others loudly applauded march pass Sov cavalry.)

---

[1] Repeated to Paris, London, Frankfurt, and the U.S. Mission at the United Nations at New York.

Protocol officials cool but correct towards US diplomatic personnel present distinguishing crudely Amers (both North and South) from rest of field (NATO colleagues etc.). [2]

KIRK

[2] Joint Weeka 18 (MA 1081), from Moscow, May 4, commented upon the May Day demonstration as follows:

"May Day line-up Red Square Tribunal saw all politburo and secretariat present except Andreev. Not felt he in disfavor since his picture prominently displayed with other mbrs on placards around city. Marshal Konev present for first time since May 1949."

Joint Weeka 18 also reported that the military portion of the May Day parade was generally smaller than in the past. (761.00(W)/5-451)

## No. 776

740.5/5-551: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET WASHINGTON, May 15, 1951—8 p.m.

5248. For Achilles from Barnard. Re Depto 888. [2] Pursuant WG suggestion of brief prelim exchange views on USSR you may wish offer fol. As stated reftel we have left mil aspects for SG consideration.

*1. General*

Sov leaders in seeking Commie world order under Kremlin domination have clearly shown they consider selves engaged in unceasing and inescapable struggle against all non-Commie countries, particularly US, and regard struggle as essentially state of war in which to destroy "enemy" any tactic or weapon that promises success is admissible.

USSR committed to policy constant hostility toward non-Commies because (1) ideology teaches collapse capitalism not automatic, but must be brought about by active struggle; (2) since Sov power position rests on world Commie network as well as natl resources,

[1] Drafted by Klosson (DRS) and Barnard (EUR), cleared in draft by Reinhardt (EUR/EE) and Davis (EUR/EE), and approved for telegraphic transmission by Bonbright (EUR) who also signed for the Secretary. Repeated to Paris for Bohlen.

[2] Telegram Depto 888 reported that a discussion of the USSR by the North Atlantic Council Deputies was expected to begin on May 16. A working group had proposed that the discussions aim at providing a picture of current strengths and weaknesses, the importance of the threat posed by Soviet policy and military strength, and the political and economic conditions which might obtain in the USSR in case of war. The working group had proposed an outline for the discussions. (740.5/5-551) Discussions were actually delayed until June; see telegram Depto 1115 from London, Document 779.

Kremlin compelled preserve militancy followers by deliberately generating hostility. Any prolonged relaxation hostility line wld weaken aggressiveness fon Commies and consequently dilute Sov power position. Basic policy change excluded since USSR cannot undertake genuine reconciliation with West without jettisoning Commie ideology and thereby weakening own power position.

*2. Political*

a. Stability of regime. Despite strains inherent in totalitarian prison-state, Sov Govt at present probably more secure than at any time since 1917. No signs dissension within CP sufficient weaken Party apparatus. No signs instability in Govt. Most postwar governmental reorganizations and personnel changes appeared designed increase efficiency. No signs either intention or capability armed forces challenge Party supremacy. Stalin's death will present serious difficulties but situation surrounding present Politburo appears less conducive to major split than at time Lenin's death.

b. Areas of discontent. Low living standard, which only moderately raised since war, produces continued dissatisfaction and lassitude on part many people, but no signs any organized opposition groups capable threatening Politburo control. Peasants probably least willing accept Sov conditions with recently collectivized peasants in Western areas most dissatisfied. These however together with natl minorities, workers, intelligentsia and religious groups subject pervasive police controls and lack capability offering organized threat.

*3. Economic*

No shortage raw materials likely cripple Sov war effort, but supply situation, despite stockpiling, wld be critical for certain ferro-alloys, industrial diamonds, tin, lead, and in long run natural rubber.

Sov economy with completion Fourth Five Year Plan shows substantial progress in output basic industrial raw materials and industrial machinery as result primary emphasis on development heavy industry. Agriculture and consumers' goods goals unfulfilled. Comparison Sov and Western production for 1950 shows: (1) gross natl income, billion dollars, USSR, 70; including satellites 112.1; US, 281.4; including West, 433.7. (2) Crude steel, million metric tons, USSR, 25.4; including satellites, 33; US, 87.7; including West, 142.3. (3) Crude oil, million metric tons, USSR, 38; including satellites, 46.1; US, 266.2; including West, 459.1. (4) Primary aluminum, million metric tons, USSR, 180; including satellites, 192.5; US, 652.1; including West, 1,266.5.

Economy expected continue expansion, although perhaps at slower rate than during past three years. In long war economy likely suffer from shortages complex machine tools, some types electronic and precision equipment, special-purpose bearings, replacement parts.

Sov manpower adequate for continued development economy. Intensive training program continues overcome shortage skilled labor, technicians, managers. Productivity lower than in US but apparently improving. Sov transportation, mostly rail, heavily taxed with little reserves and in wartime wld be subject critical strain despite improvisation measures.

Total agricultural output still somewhat below prewar. Postwar upward trend may be initially affected by program for merger collectives launched early 1950. Major deficiency remains livestock and animal products. Present general diet about equal to prewar in number calories, but consists even larger extent cereals and potatoes. In wartime draft power (animal and mechanical) likely be main bottleneck.

In event war USSR enjoys certain advantages. Controlled Sov economy including manpower already virtually mobilized for war and always concentrated on armaments and heavy industry. Sov leaders therefore can make quick production shifts and devote unusually large proportion total output to war since consumers needs have never been major influence in shaping Sov economy. Although present mobilized character Sov economy means less chance increase Sov production in wartime compared to US with its still five day work week and generally masculine labor force, fact remains USSR conducted World War II with annual steel availability of less than 10 million tons.

Refurtel last para additional info on polit side may be found in series briefing papers prepared recently for possible CFM (especially docs D-1/14, D-3/4, and D-7/4a [3]) and in fol vols which shld be available Emb library: Strategy and Tactics of World Communism (Foreign Affairs Committee Report, 80th Congress, Second Session); Background Information on Soviet Union in International Relations (Foreign Affairs Committee Report, 81st Congress, Second Session); and article entitled "Sources of Soviet Conduct" in July 1947 issue of publication *Foreign Affairs*. [Barnard.]

ACHESON

---

[3] The papers cited here, none printed, are part of the RPTS D series (documents relating to possible talks with the Soviets) prepared in the Department of State in preparation for a possible session of the Council of Foreign Ministers and are included in CFM files, lot M-88, RPTS D. RPTS D-1/14, February 2, was a 28-page paper entitled "World Communism as an Instrument of Soviet Power". RPTS D-3/4, January 14, was entitled "Soviet Pressures on Yugoslavia".

## No. 777

601.6111/5-2451

*Memorandum by the Assistant Secretary of State for Economic Affairs (Thorp) to the Under Secretary of State (Webb)* [1]

CONFIDENTIAL [WASHINGTON,] May 24, 1951.

Subject: Soviet protest concerning refusal of longshoremen to load effects of departing Soviet official personnel on the SS *America* on May 8, 1951.

*Background*

On May 8, 1951, American longshoremen, members of the International Longshoremen's Association, AFL, refused to load 17 cases of personal effects of departing Soviet official personnel on the SS *America*. These effects consisted of radios, television sets and washing machines. The Department has already received three protests from the Soviet Embassy since the incident occurred. The last representation was made by the Soviet Ambassador on the occasion of a call upon Assistant Secretary Perkins. The Soviet Ambassador referred to a statement made by the President last autumn when the longshoremen refused to unload Soviet Embassy cargo from the Polish SS *Batory* to the effect that longshoremen did not make United States foreign policy. [2]

The Department has explored this incident with the United States Lines, owner of the SS *America*, and with the French, Swedish and Cunard Lines as well, in an effort to determine whether

---

[1] Drafted by Goott (E/L) and apparently concurred in by Bonbright (EUR) and Davis (EUR/EE).

[2] Documentation on protests made by officers of the Soviet Embassy on May 11 and May 14 is in file 601.6111. At the conclusion of a call on Assistant Secretary Perkins on May 19, Soviet Ambassador Panyushkin took the opportunity to complain of the incident of May 8. Panyushkin was assured of the Department of State's efforts in the matter, but he was advised that the shipment of the baggage in question could probably more easily be arranged through the facilities of a British, French, or Swedish steamship line because the United States Lines could not guarantee the longshoremen would load the baggage. Perkins' memorandum of the conversation with Panyushkin concluded as follows:

"Ambassador Panyushkin reiterated his request that steps be taken to ensure that the baggage be loaded aboard the S.S. *America* and he referred to the President's statement of last autumn to the effect that longshoremen did not make American foreign policy. To this I replied that while that was true, the longshoremen were not always aware of it. I said that we would look into the matter further." (Memorandum of conversation by Perkins, May 19, 761.0111/5-1951)

President Truman's remark referred to by Panyushkin was made during the President's news conference on August 31, 1950. In response to a question the President indicated his opposition to the refusal of longshoremen to unload Soviet and satellite ships, and he asserted that foreign policy was not made by any longshoremen's union. For text of the President's response, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1950*, p. 606.

the shipment could in some way be despatched. Each of the companies has expressed unwillingness to attempt any loading for fear that they would run afoul of the union.

At this Department's request the Labor Department last week discussed this situation with Joe Ryan, President of the International Longshoremen's Association. Last Tuesday the Labor Department also called Mr. Sampson, head of the International Longshoremen's Association's local union involved. Mr. Ryan, while apparently recognizing the impropriety of the local union's tactics, indicated that the responsibility for taking action on the situation would be Mr. Sampson's. Mr. Sampson, in turn, indicated that while he too personally recognized the difficulties posed by this incident, he felt that he could not easily overcome what he described to be the spontaneous reaction of his local membership in refusing to load the shipment. It seems quite clear that neither of these two union officials is at present willing to take any steps in the direction of getting this shipment loaded.

A member of my office yesterday discussed this matter informally with Mr. George P. Delaney, International Representative of the AFL in Washington, who reported back later that he had taken the matter up with William Green, President of the AFL. Mr. Green is reported to have deplored the tactics of the longshoremen in this connection. Mr. Delaney also informally suggested that it would be helpful to follow up his conversation with Mr. Green by a telephone call from a high official of this Department. It was Mr. Delaney's own judgment that a follow up call from this Department might stimulate Mr. Green to attempt to persuade the longshoremen to avoid these tactics. It should be noted, however, that should Mr. Green decide to discuss the problem with the International Longshoremen's Association's officials his success with them would by no means be assured.

*Recommendation*

I suggest that you call Mr. Green to express the Department's concern over the longshoremen's refusal to load this material stressing the retaliatory measures the Soviet Government might take against the U.S. Mission in Moscow which is entirely dependent upon imports for its operations. Retaliatory action by Soviet authorities could easily cripple our Mission in Moscow. The possibility of retaliation is probably the most effective argument we could use with the union. You might also mention that the shipment involved does not represent strategic goods and that on the contrary there is some advantage in having the Russians exposed to the knowledge of the wide variety of such consumer goods easily available in this country. I suggest that the basis of the approach

to Mr. Green be that of seeking his advice on whether anything can be done to meet this situation. I suggest too that your call be made to appear quite independent of Mr. Delaney's conversation with Mr. Green and that reference to that conversation be avoided if possible. [3]

[3] A handwritten notation on the source text by Francis E. Meloy (S/S) reads as follows: "5/28/51 Mr. Webb telephoned Mr. Green 5/28 along the lines of this memo. Mr. Green said that he would look into the matter and would call back." A memorandum for files of June 4 by Davis of EUR/EE reports having been informed by Meloy that day that Green had not yet replied to Under Secretary Webb. (601.6111/6–451) See also Under Secretary Webb's memorandum of conversation, *infra*.

## No. 778

601.6111/6-651

*Memorandum of Conversation, by the Under Secretary of State (Webb)*

CONFIDENTIAL [WASHINGTON,] June 6, 1951.

Subject: Soviet Ambassador's Courtesy Call before Departing to the USSR on Leave; Protest Concerning Refusal of Longshoremen to Load Effects of Departing Soviet Official Personnel on the S.S. *America* on May 8.

Participants: Alexander S. Panyushkin, Soviet Ambassador
Boris I. Karavaev, Counselor, Soviet Embassy
Mr. Myshkov, Interpreter
Mr. Webb, Under Secretary
Mr. Davis, EE

Ambassador Panyushkin called at 11 o'clock this morning at his request to pay a courtesy call upon the occasion of his departure on vacation to the Soviet Union. The Ambassador stated he did not wish to detain me long but he would like to bring up before departing one "big question" which already had a "long beard," as the unsolved problem was now a month old. This concerned the personal effects of Soviet official personnel who had been forced to depart on the S.S. *America* on May 8 without their baggage. The Ambassador referred to his conversation with Mr. Perkins on May 19 [1] and asked that measures be taken to have the 17 cases involved forwarded. With a smile he added that the cases did not contain goods of a "military character" but were the personal belongings of Soviet officials.

[1] See footnote 2, *supra*.

I told the Ambassador that Mr. Perkins had spoken to me about this and that I personally had taken up the matter with the highest officials of our Government, including Secretary Tobin of the Department of Labor. I also said that I had been in touch with Mr. Green, President of the American Federation of Labor, and that he had stated he would do what he could and would let me know. [2] I said that we regretted this occurrence and were anxious to have the problem solved. However, as the Ambassador undoubtedly understood, it was the workers on the docks who had refused to load these cases and the Government was not in a position to issue commands to the longshoremen to load them. In conclusion I stated that we had this problem very much in mind and were doing everything we could to solve it.

The Ambassador expressed his appreciation for my personal participation in this matter.

In departing, the Ambassador introduced Mr. Karavaev as the Chargé d'Affaires ad interim in his absence.

JAMES E. WEBB

[2] See also footnote 3, *supra*. No indication has been found in Department of State files that Green ever discussed the matter further with Webb. The Department of State informally ascertained in mid-June that the Swedish American Line was willing to attempt to forward the Soviet diplomatic baggage in question. (Telegram 812 to Moscow, June 18, 601.6111/6-1551)

## No. 779

740.5/6-1251: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

TOP SECRET LONDON, June 12, 1951—7 p.m.

Depto 1115. Deputies 46th meeting June 11.

1. Discussion polit conditions USSR revealed such generally similar views as to cause comment on dangers inherent in limited and ingrown sources of info available. [2] US and UK placed most emphasis on solidity of regime and belief its control sufficiently absolute to cope with any presently foreseeable contingency including succession to Stalin. Some of smaller countries attached more importance areas of discontent. Fr indicated more interest than

[1] Repeated to all the other NATO capitals and to Frankfurt, Heidelberg, and Wiesbaden.

[2] Regarding the decision of the Council Deputies to undertake a discussion of political and economic conditions in the USSR, see footnote 2, Document 776.

others in seeking some eventual east-west understanding but admitted western strength essential requisite. (Fuller report to Dept and Moscow and Paris).

Deps approved outline discussion of foreign policy (Depto 1096 [3]).

[Here follows the report on the Council Deputies discussion of the European Army Conference, Greek-Turkish adherence to NATO, and tripartite discussions regarding German participation in Western defense.]

SPOFFORD

[3] Telegram Depto 1096 reported that the Council Deputies discussion of the USSR had been delayed due to the press of other business. A working group had suggested an outline for the foreign policy aspects of the proposed discussion. (740.5/6-851)

## No. 780

740.5/6-1451: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

[Extract]

SECRET PRIORITY LONDON, June 14, 1951—6 p.m.

Depto 1123. Deputies 47th mtg June 13.

. . . . . .

2. Began discussion econ conditions USSR. Fr found industrial potential increasing and thought econ planning indicated preparation for war. Commented on continuing dispersal of industry despite econ disadvantages, UK emphasized wealth of natural resources, self-sufficiency of economy, and growing industrial capacity although still far below western levels. Transport generally considered greatest weakness. UK and Neth emphasized steady improvement in industry, and Ital pointed out production and consumption levels generally above 1940. Fr noted standards of living supported by imports from satellites.

UK said collectivization, which largely completed 1950, and amalgamation, which reduced number of collectives by half last year, and establishment agri towns have as first purpose creation of agricultural proletariat at all cost. Fr and Neth expressed similar views. Neth felt pressure recently relaxed because of peasant resistance.

[1] Repeated to all the other NATO capitals and to Frankfurt, Heidelberg, and Wiesbaden.

WG to compare detailed info and deps discussion to be resumed next mtg.

3. UK circulated reply to UN on uniting for peace.

4. Next mtg June 19.

SPOFFORD

---

## No. 781

124.615/6–1551: Despatch

*The Minister Counselor of the Embassy in the Soviet Union (Barbour) to the Department of State*

CONFIDENTIAL Moscow, June 15, 1951.

No. 731

Subject: Attempts of Communist states to subject US diplomatic representatives to indignities at public functions, etc.

The Embassy appreciates the consideration being given by the Department, as indicated in the airgram under reference [1] to means of meeting attempts of Communist States to subject US Diplomatic Representatives to indignities at official functions, etc. The problem has been of recurring concern to the Embassy for a considerable period.

Social and ceremonial intercourse between the Embassy and the Soviet authorities is now generally limited to the following occasions:

1.) Soviet Army and Navy Day, February 23. (Reception by the Soviet Military authorities, Attachés invited.)

2.) May Day, May 1. (Parade in Red Square, Chief of Mission, Embassy Counselors and Service Attachés invited.)

3.) U.S. Armed Forces Day, May 19. (Reception by Service Attachés for Diplomatic Corps, principal Soviet Military figures invited.)

4.) U.S. National Holiday, July 4. (Reception for Diplomatic Corps, various Soviet Foreign Office and Military Liaison Officers invited.)

5.) Soviet Air Force Day, August 18. (Fly Past, Chief of Mission, Embassy Counselors and Service Attachés invited.)

6.) Meeting of Moscow City Soviet, November 6. (Chiefs of Diplomatic Missions invited.)

7.) Soviet National Holiday, November 7. (Parade in Red Square, Chiefs of Diplomatic Missions, Embassy Counselors and Service Attachés invited—Evening Reception by Foreign Minister, Chiefs of Mission, Embassy Counselors and Service Attachés invited.)

---

[1] Document 631.

8.) Meeting of the Supreme Soviet of the USSR, March. (Opening session attended by Chiefs of Mission.)
9.) Various receptions at diplomatic missions in commemoration of their national holidays, Soviet Foreign Office and Military Liaison Officers invited.

The attitude of the Soviets on the occasions of formal ceremonial contact has, to date, been correct although a minimum of cordiality has been evident and a measure of the state of relations existing between the Soviet and US Governments has been the low caliber of Soviet officials who have accepted US and Western invitations and the minimum length of time the few officials who have attended have remained at any Western function.

The principal source of embarrassment to US and other Western representatives, mainly Great Britain and France, has been the oratorical attacks on the United States and to some extent Great Britain and France to which the representatives have been subjected in connection with various of these public ceremonies. The most violent attacks are customarily contained in the speech delivered on November 6 at the Moscow Soviet Meeting which constitutes a principal annual political Soviet declaration. In recent years the theme of the address on these occasions has been the nefarious activities of the United States and the orator has denounced the United States thoroughly throughout his discourse. Similar attacks on the United States are customarily contained in the five-minute addresses preceding the parades on November 7 and May 1, and orders of the day released to the press on those two occasions as well as on Army and Navy Day and Air Force Day, normally violently attack the United States.

With regard to the attitude US representatives should adopt in the circumstances, it has been felt here, and the Embassy continues to consider it appropriate, that US representatives continue formal attendance at ceremonial functions to which they are invited by the Soviet authorities but limit attendance to a minimum time required by the circumstances on a reciprocal basis, dependent on the corresponding period, usually very brief, which Soviet officials remain at Embassy functions. It is also recommended that when a logical pretext therefore can be found, the Chief of Mission arrange to be absent from Moscow on a maximum number of Soviet holidays. The Embassy feels that in following the foregoing line, it maintains a maximum of dignity on its part and avoids dramatization by total absence or conspicuous withdrawal of an aspect of inconsistency in the conduct of diplomatic relations between the USSR and US under present conditions which could be exploited by the Soviets and could serve no substantive US purpose.

It may be noted that, while invitations to national day receptions are extended specifically to Chiefs of Mission and Counselors by the US and Satellite Missions with whose countries the United States has relations, neither the Embassy nor the Satellite Missions any longer attend each others national day functions, or exchange other than initial calls upon arrival in Moscow.

WALWORTH BARBOUR

## No. 782

740.5/6-851: Airgram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET WASHINGTON, June 16, 1951.

A-2396. For Spofford. Reference Depto 1096 June 8.[2] Together with Deptel 5248, May 18 [*15*],[3] the following represents an approved US intelligence estimate which, it is hoped, you will find useful as background information for your presentation.

*1. Main basis for Sov fon policy:*

USSR motivated by combination factors springing from its unique world position. As a state in system of states, USSR pursues pol conditioned by need to safeguard its national interests. As successor to Russian Empire, USSR inherits tradition of expansionism apparently inherent in its historical and geographical position. As totalitarian dictatorship, USSR ever driven to new conquests, internal and external. As center of world Communist movement, USSR irrevocably identified with increasing struggle for world revolution. USSR thus joins together national center of state power with international crusading ideology. Without either state power or ideology, Sov world position and policy would be decisively changed. Peculiarly dangerous nature of Sov aggression—its persistence, intensity, and scope—is principally product of association of USSR with communism.

*2. Principal aims Sov pol in particular areas.*

Sov pol in various areas must be considered phase of and subordinate to current Sov objective of undermining power position of US to end that US will be incapable, on one hand, of threatening security of USSR and its orbit, or, on other, of providing free world

[1] Drafted by Harvey (DRS), cleared with Reinhardt (EUR/EE), and signed for the Secretary by Davis (EUR/EE).

[2] Not printed, but see footnote 3, Document 779.

[3] Document 776.

with adequate support to make possible their successful resistance to Sov pressure. In pursuing broad objective of undermining US power position, USSR since 1947 has relied upon direct pressures rather than negotiations to achieve its aims. It has sought particularly through pressures and intimidation to make impossible US participation in European and Asian affairs by seeking destroy willingness and ability of European and Asian people to give US cooperation necessary for such participation. Aside from appreciation that undermining power position US necessary for further extension Commie revolution, USSR is immediately concerned over prospect of shift in balance of military power in being in Europe and Northeast Asia. In this connection especially concerned over West European rearmament in conjunction with US rearmament, prospective Japanese rearmament, grouping of anti-Commie powers under NATO or other regional pacts, and existence and extension of US overseas bases. No evidence that USSR is concentrating or will concentrate on either Europe or Asia at expense other. Rather USSR looks on Europe and Asia as intricately linked in the world power complex. Within this framework Sov pol area-wise evaluated as follows:

a. *Eastern Europe.* Maintain control over satellites which at present appears complete; further Sovietization and integration of economies and military establishments into Sov system; continue utilization of productive capacity to strengthen Sov eco and war potential; use as advanced skirmishing parties in prosecuting Sov pol. Re Yugoslavia, Sov objective continues to be to secure elimination of Tito government and its replacement by regime subservient to Moscow. Sov policy for time being seems to call for continued reliance on economic, political, psychological, and subversive pressures. There has been no recent major change in Sov mil strength or dispositions that bear upon the likelihood of attack by Sov forces in 1951. However, satellite capabilities for initiating attack on Yugoslavia with little or no warning have increased, and satellite military preparations continuing. Although developments to date do not appear to warrant conclusion that Soviet or satellite attack will in fact take place in 1951, they do justify conclusion that attack on Yugoslavia in 1951 remains a serious possibility.

b. *Western Germany.* USSR has ultimate aim of bringing under its control strategically important area and resources of all Germany. It regards any substantial part of Germany not under its control—particularly if associated with Western powers—as major obstacle to realization of its ultimate aims and as potential threat to its own security. USSR will not consider as satisfactory any solution of German problem that does not promise to bring all of Germany within its orbit. Currently USSR pursuing interim objectives designed further ultimate aim. Foremost is aim to undermine West German regime, forestall its rearmament, and prevent its political, economic, and military association with Western powers. In Europe USSR considers rearmament and control of West Germany as the

decisive immediate issue and is unlikely stand by idly until West Germany fully rearmed under Western aegis. Thus far, USSR has tried delay or prevent West German rearmament and secure control of area by constant pressure against Western Germans and Western Europeans and by exploiting differences among the Western powers. So far tactic has failed produce tangible results. Entirely possible that Kremlin may consider future efforts along similar lines will be equally fruitless—will, indeed, produce the opposite of desired results by increasing resolve and solidifying cohesion of Western powers. If so, basic shift in Sov policy might be anticipated. This could take form of either (a) decision to resort to satellite of Sov military action in some area of Europe, of (b) decision to offer genuine concessions in return for abandonment West German rearmament and general easing of tension. Sov rulers, however, have given indication that for moment at least they feel they do not have choose between these alternatives and continue estimate they have freedom of action. They appear believe that there are still open to them many means of accentuating and exploiting differences among Western powers, and are still able to apply greater pressure on Western peoples than can the Western powers on the peoples of Sov sphere. In any event, they have given numerous indications that they are not prepared, and do not intend, to make genuine concessions (i.e., give up an advantage they actually possess) to secure agreement West on German disarmament or on any other matter in dispute. Thus on basis present indications appears that any basic shift in Sov pol will be in direction more drastic action rather than compromise.

c. *Western Europe.* Immediate Sov objective is severance of ties between US and West Eur thereby destroying NATO and isolate US in Western Hemisphere. Methods employed (a) Communist Party agitation; (b) play upon general European fear of war including maintenance of military forces in forward areas capable of overrunning Western Europe; (c) thinly veiled threats of military action; (d) attempt to exploit "contradictions" over Far Eastern policy; (e) consolidation of GDR and its economic and political integration into East European orbit as means of pressure on Western Germany; (f) intense play upon West European fears of renewed German aggression; (g) efforts to neutralize Western public opinion through "peace movement." At same time possibility cannot be discounted that Commies will attempt more systematic use of strikes, sabotage, and local violence.

d. *Far East.* Overall policy (a) elimination Western influence, and (b) establishment people's democratic regimes throughout area. Commies openly acknowledge their basic tactic is "armed struggle" in Korea, Burma, Indo-China, Malaya, and Philippines. Although definite possibility of attempt to extend armed struggle to India, Pakistan, Thailand, Afghanistan and Indonesia, present tactic is apparently alternatively to woo and apply pressure. Heavy reliance appears being placed on possibility of neutralizing non-Commie elements through agitation under such slogans Asia for Asiatics, defeat of Western imperialism, satisfaction of nationalist aspiration, threat of renewed Japan aggression. Tendency is to allow Chinese Communists to assume spokesman role for Communist move-

ment these areas. Re China, no evidence of Moscow–Peiping friction or disagreement, rather coordination of policies and activities. USSR appears support unconditionally Peiping demand for admission UN, part in Jap treaty, possession Formosa. USSR, like Chi Commies, seems uninterested Korean settlement except on terms calling for withdrawal UN troops and satisfaction Chi Commie non-Korean demands listed above. Strong indications if becomes militarily necessary Sovs will increase mil support Chi Commies and North Koreans in Korea with unacknowledged supply planes, heavy equipment, and personnel. USSR would almost certainly participate defense China, especially Manchuria, in case UN attack, but not necessarily resort open war over issue. Re Japan, Sovs and Chi Commies object is eliminate US influence and prevent reemergence Japan as strong power, particularly in alliance with US. Central concerns at present are peace treaty and rearmament which are treated as indissolubly linked. Peiping has asserted "will never tolerate" while Moscow has used hardly less veiled language. Strong Sov and Chi Commie implications of applicability of Sino-Sov treaty case West continues present policy. Some justification invocation treaty already provided by Peiping–Moscow charges US use Jap troops and industrial production for "aggression" in Korea. Sovs have capability major attack on Japan without further preparations but no indications of intention of imminent move. USSR utilizing Far Eastern developments in effort accentuate "contradictions" among Western powers, and possibility cannot be discounted that threatening posture reflects not so much intentions as hope of maximizing division in West camp.

e. *Near and Middle East.* Kremlin currently seeks to neutralize area by undermining Western influence. Methods include: (a) encouragement of nationalist sentiments; (b) blaming Anglo-American imperialism for all area troubles and concurrently supporting first one then another local inter-state rivalry; (c) play upon fear of war including maintenance of sufficient force in being to overrun area. Current policy toward Iran particularly illustrative these tactics, Moscow having avoided any indication of intent to interfere in explosive situation so that full brunt of intense nationalism directed toward UK and US. At same time unexpressed threat of Sov intervention ever present. Meanwhile, Moscow seeks to build up local political followings as first step toward ultimate establishment people's democracies.

f. *Colonial and Dependent Areas.* Basic Sov policy calls for removal of Western influence. It supports all movements of national independence, with concurrent attempts by local Communists to seize control these movements. Sov prop and spokesmen in UN try to appear as champions of colonial and dependent peoples and cause maximum embarrassment to West. Exploitation of colonial issue concentrated more in Asia than Africa.

g. *United Nations.* USSR regards UN merely as instrument its foreign policy adapted to serve three basic and overlapping objectives: (1) protection fundamental Soviet stated interests; (2) aggravation of all differences in non-Sov world; (3) world-wide propagation of Sov propaganda. USSR and satellite attitude toward UN recently marked by increasing cynicism and possibility Sov with-

drawal cannot be discounted. World Peace Council may be designed as ultimate successor UN. At the least, WPC will be used in attempt to offset unfavorable decisions and policies UN.

*3. Methods of USSR to achieve aims:*

In pursuit its several objectives, USSR will rely on cold war tactics so long as these promise reasonable measure of success. However, inasmuch as Sov objectives inevitably impinge on interests of West in vital areas, grave danger exists that war will result. Moscow over past year has shown increased willingness to risk general war. In belief that ultimate object cannot be fully obtained without general war with Western powers, or in belief West is preparing attack on Sov sphere, Moscow may deliberately provoke general war at a time when, in its opinion, relative strength of USSR is at maximum. This might be at any time between now and the end of 1952. From point of view of mil forces and eco potential, USSR now in position to conduct general war of such scope and duration as to enable it overrun land mass of Eurasia. While intelligence lacking to permit valid prediction whether USSR would actually deliberately provoke general war, Kremlin's continued intransigence and relentless pursuit basic objectives indicate that grave risk of general war already exists. Estimated that this risk increases as issues directly affecting USSR security arise, notably issues related full-scale West German or Japanese rearmament and establishment Western military bases on Sov periphery.

*4. Factors determining Sov pol:*

Dept considers USSR not tied to timetable but conducts policy according to opportunities available and evaluation its capabilities against Western capabilities and reaction. Since Sov policy geared to fill any power vacuum, Sov moves have generated Western reaction which in turn generates Sov counteraction. Beyond this, USSR sensitivity over security makes likely strong Sov reaction to Western moves that appear to Kremlin as threat to USSR itself or its empire.

ACHESON

## No. 783

123-Barbour, Walworth

*Memorandum of Conversation, by the Minister Counselor of the Embassy in the Soviet Union (Barbour)* [1]

RESTRICTED [Moscow,] June 18, 1951.

Subjects: Unauthorized Showing of American Films; Operations of Burobin; [2] Attitude of Soviet Consular Section; Shipment of Soviet Diplomatic Baggage from New York.

Participants: V.I. Bazykin, Chief, American Section Foreign Office.
Walworth Barbour, Minister-Counselor, American Embassy.

I called on Mr. Bazykin at 3:00 o'clock on June 14 by appointment made at my request. The conversation lasted some forty minutes and may be summarized as follows:

*Unauthorized Showing of American Films in Moscow:*

I presented the Embassy's Note No. 97 of June 14 and in informing Mr. Bazykin that the Note is self-explanatory, emphasized that it constituted a follow-up to three previous Embassy Notes of January 17, February 15 and April 10, to which no reply has been forthcoming. [3] I stated that as the Soviets are aware, our protest in the matter of these films arises from the fact that they are American property, that no rights to release have ever been given the Soviet Union in connection therewith and that if, as indicated by superimposed sub-titles, they were obtained by capture from Germans in the recent war, such capture conveys no right to American property. I requested the Soviet authorities' urgent consideration of the matter, replies to our communications and return of the films to the Embassy for their lawful owners. Mr. Bazykin replied that he would look into the matter and let me know.

*Operations of Burobin:*

I drew Mr. Bazykin's attention to the status of Embassy relations with Burobin, informed him that Burobin's attitude has become so uncooperative as to necessitate a strong Embassy protest and consideration of the effect thereof on the general question of the oper-

---

[1] Approved by Ambassador Kirk. Transmitted to the Department of State as an enclosure to despatch 753, from Moscow, June 19. In that despatch Barbour commented: "Whether any improvement in the situation will result from this conversation is problematical."

[2] Section of the USSR Foreign Ministry responsible for services to foreigners.

[3] Text of the Embassy's note of January 17, was released to the press by the Department of State on January 22; see Department of State *Bulletin*, February 5, 1951, pp. 229-230. The other notes are not printed.

ation of the diplomatic missions maintained by the United States in Moscow and reciprocally the Soviet Embassy in Washington. I said that I could understand a reasonable amount of inefficiency and the fact that such inefficiency might be compounded by the size of the organization. However, I noted that in recent weeks the Embassy has been unable even to get in touch with appropriate officials at Burobin to discuss and negotiate a number of important problems still pending, and the evident lack of cooperation thus demonstrated by Burobin could not be excused on any purely administrative ground. By way of example of the scope and nature of problems awaiting solution between Burobin and the Embassy, I outlined at considerable length the current position on the Embassy's request for additional personnel, the situation in regard to labor contracts and the status of Tarasovka Dacha. We have for months had urgent need of chauffeurs, laborers, a gardener for Spasso, servants, etc., the absence of whom seriously handicaps the Embassy operation. Burobin has failed to supply such personnel, although requested repeatedly. I noted that there might be a connection between this attitude and the status of the labor contracts. While it is the United States Government's position that a demand by a foreign government on a diplomatic mission to conclude labor contracts is an infringement of the diplomatic rights of the mission and while in fact Soviet employees of the Embassy enjoy greater benefits under United States employment policies than provided in the contract proposed by Burobin, the United States Government in an effort to assure that individuals employed by it enjoy wholly equitable treatment in accordance with their desires, had authorized the Embassy to conclude contracts somewhat modified in form but substantially providing the essential benefits contained in the Soviet proposal. We furnished a copy of such a revised draft contract to Burobin over a month ago and have since been endeavoring to negotiate agreement thereon, but have been unable to reach anybody in Burobin with whom to discuss the matter.

On Tarasovka Dacha, I stated that Burobin had indicated in May that the Dacha would no longer be available to the Embassy after September 30, that the Embassy is prepared to give it up at that time, provided suitable substitute quarters can be furnished, that, however, a matter of major importance in that connection is the payment for necessary repairs and renovation which must be completed before termination, and that Burobin's agreement to designate an engineer to survey the premises with the Embassy engineer, with a view to establishing the repairs necessary, has not been carried out, although they accepted six weeks ago. I noted that an estimate in this regard amounting to some $15,000 and

made in 1950, is no longer valid, inasmuch as a number of the repairs included therein have been accomplished in the meantime.

*Attitude of Soviet Consular Section:*

I protested similarly the inaccessibility to the Embassy of officials of the Soviet Consular Section, noting that for many months it has been virtually impossible for the Embassy to reach anyone in the Consular Section to inquire concerning status of visa applications. I pointed out that the matter of the actual issuance of visas is subject to solution on a reciprocal basis but objected to the transparent maneuvers of the Soviet Consular Section officials in avoiding discussion of pending cases with appropriate Embassy officials. By way of example, I mentioned the case of Emory Armstrong, who is assigned to Moscow on a temporary detail to fill the gap resulting from the unavoidable departure of the Embassy Administrative Officer. Armstrong applied for a visa in Berlin on May 21, the Embassy requested the Foreign Office to expedite issuance in a Note of May 22. On May 25, I personally asked Vlasov, Chief of the Consular Section, to expedite, and on June 6, Ambassador Kirk similarly spoke to Acting Foreign Minister V. Zorin. Subsequently, the Embassy telephoned to Consular Section four times on June 12, twice on June 13 and nine times on June 14, but has not been able to reach anybody on any of these occasions. [4]

*Shipment of Soviet Diplomatic Baggage from New York:*

Mr. Bazykin raised again the issue of the seventeen cases of Soviet diplomatic baggage which was not loaded on the SS *America* recently. Referring to his conversations on May 29 [5] with Embassy Counselor Cumming and the memorandum [6] presented to Mr. Cumming at that time, he inquired concerning subsequent developments. I informed him that we had received nothing further from the Department in this connection but noted my understanding from previous documents that the Soviet Embassy in Washington has been kept fully advised of the situation. Mr. Bazykin requested a reply from the Embassy here and remarked that the Soviet authorities have not placed obstacles in the way of Embassy shipments. I agreed to endeavor to expedite information, but as regards shipments to this Embassy, I stated that while there has been relatively little difficulty in recent months, Mr. Bazykin would be

---

[4] In his transmittal despatch (see footnote 1 above) Barbour reported that the Soviet Foreign Ministry authorized a visa for Armstrong the day following this conversation.

[5] Reported on in telegram 2038 from Moscow, May 30, not printed. (601.6111/5-3051)

[6] Copy of memorandum transmitted as enclosure to despatch 700 from Moscow, May 31, not printed. (601.6111/5-3151)

aware, or could inform himself from his Protocol Division concerning the numerous extraordinary difficulties experienced by the Embassy last winter, particularly in connection with shipments by rail from Helsinki, and pointed out that in at least two major respects, Soviet customs regulations themselves are inconsistent with accepted Diplomatic practice, namely the quota limits on Diplomatic imports and the requirement of customs inspection of imports not covered by *laissez-passer*.

*Conclusion:*

In conclusion, Mr. Bazykin agreed to inquire into the three subjects of my protest and I stated I would inform him concerning any developments in the matter of his Diplomatic baggage.

---

## No. 784

740.5/6-2051: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

[Extract]

TOP SECRET LONDON, June 20, 1951—10 p.m.

Depto 1152. Deputies 48th mtg June 19.

3. (a) US reported on effectiveness VOA in USSR. On economic conditions agreed that Soviet war-making potential greater than in 1940 and that economy largely self-sufficient. Expect economy will continue expand altho more slowly than in recent years. Productivity low but improving. Agriculture below pre-war. With Canada called attention to ability to turn economy under absolute control to full war production which less feasible in West.

Canada noted Soviet natl pride in wealth of resources and their exploitation. In addition to progress in technical fields noted by US, Canada reported such problems as training skilled labor and development highway systems being tackled forcefully but with little success. Cautioned that USSR has already shown ability to make war in spite of weaknesses.

(b) To French question, UK said no instructions but generally opposed to deputies taking up study of military aspects USSR which shld be referred SG.

SPOFFORD

[1] Repeated to all the other NATO capitals, Frankfurt, Heidelberg, and Wiesbaden.

## No. 785

740.5/6-2551: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

SECRET PRIORITY WASHINGTON, June 28, 1951—8 p.m.

6233. For Spofford. Re Depto 1169. [2] Following analysis Sov cold war tactics shld be read against background Deptel 5248, May 18 [*15*] [3] and A-2396, June 16. [4]

USSR occupies unique position for conducting cold war since Kremlin (1) operates on premise of permanent conflict with non-Sov world; (2) can act "correctly" on governmental level while Commies resort to violence on unofficial level; (3) able act quickly, secretly and arbitrarily without reference to opinion legislature, special interest groups, public, or allies; (4) able use Commie ideology as moral fig leaf for own hostile actions and as idealistic magnet to attract for groups; (5) succeeded among some circles in identifying USSR with liberal slogans of peace, progress, democracy; (6) able coordinate own actions with single voice propaganda campaign; (7) can largely frustrate by own security measures non-Sov countermoves directed at Sov peoples.

Choice of instruments and tactics varies according to local situation, but all centered on single basic aim weakening non-Sov position either for Commie take-over local area or undermining potential enemy in event all-out war. Sov ability suddenly reverse tactics integral part of strategy rather than reflection any modification in basic objectives.

On official level Kremlin utilizes traditional diplomatic and mil moves, although Sov participation negotiations primarily directed toward dividing non-Sov powers and confusing world opinion. Threat of war implicit in Sov mil strength remains main weapon in official Sov arsenal. Korean situation shows USSR not even adverse having satellite undertake limited war, despite grave risks involved.

On unofficial level worldwide network Commie and front organizations gives USSR unique advantage local fol in many countries. Mass Commie parties can play pol role to stimulate disunity, party hard core provides paramilitary potential, and together with crypto-Commies, apparatus for espionage and sabotage. Parties and

---

[1] Drafted by Klosson (DRS), cleared by Barnard (EUR) and Davis (EUR/EE), and approved for transmission by Martin (EUR/RA). (740.5/6-2551)

[2] Telegram Depto 1169 requested guidance on Soviet cold war tactics.

[3] Document 776.

[4] Document 782.

local friendship with USSR societies provide local-language dissemination Sov propaganda. Local and international front organizations directed at attracting by use liberal slogans special groups—labor, women, youth, intellectuals—to support Sov aims by bringing pol pressure on local govts. Commie emphasis on infiltration trade unions designed not only provide level for dislocation local economy but also control strategic unions—communications, transportation, armaments—to increase sabotage potential in event war.

Kremlin also attempts capture nationalist movements in colonial or former colonial areas which have attained independence in order eliminate influence capitalist powers and deny to them natural resources vital to western world. Since 1949 use armed force obtain revolutionary aims proclaimed central policy, notably in Far East.

ACHESON

---

## No. 786

*Concurrent Resolution of Congress* [1]

REAFFIRMING FRIENDSHIP OF THE AMERICAN PEOPLE FOR ALL PEOPLES OF THE WORLD, INCLUDING THE PEOPLES OF THE SOVIET UNION

Whereas the goal of the American people is now, and ever has been, a just and lasting peace; and

Whereas the deepest wish of our Nation is to join with all other nations in preserving the dignity of man, and in observing those moral principles which alone lend meaning to his existence; and

---

[1] This resolution, known as the McMahon-Ribicoff Resolution after its chief Senate and House of Representatives sponsors, was endorsed in a slightly different, earlier version by the Secretary of State in his letter to Senator Connally, Document 769. The Senate resolution (S. Con. Res. 11) was introduced in the Senate on February 8 by Senator McMahon and 22 other Senators of both major parties, was approved by the Senate Foreign Relations Committee on April 20, and was adopted by the Senate on May 4. For the original text of that resolution, see Department of State *Bulletin*, April 2, 1951, p. 557. A similar but not identical House resolution (H. Con. Res. 57) was introduced in the House of Representatives on February 8 by Congressman Ribicoff and eight other Congressmen of both major parties, and was adopted by the House of Representatives on June 4. A compromise resolution developed by a Senate–House Conference Committee, the text printed here, was adopted by the Senate on June 18 and by the House on June 26 by a vote of 351 to 6. The text printed here is that appearing in House of Representatives Report No. 632, the House report on the Conference Committee on S. Con. Res. 11. It was the text submitted to President Truman by Secretary Acheson on July 5 (see *infra*) and the text that accompanied President Truman's communication to Shvernik, Document 788.

Whereas, in proof of this, the United States has offered to share all that is good in atomic energy, asking in return only safeguards against the evil in the atom; and

Whereas the Congress reaffirms its policy as expressed in law "to continue to exert maximum efforts to obtain agreements to provide the United Nations with armed forces as contemplated in the Charter and agreements to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying against violation and evasion"; and

Whereas this Nation has likewise given of its substance and resources to help those peoples ravaged by war and poverty; and

Whereas terrible danger to all free peoples compels the United States to undertake a vast program of armaments expenditures; and

Whereas we rearm only with reluctance and would prefer to devote our energies to peaceful pursuits: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring).* That the Congress of the United States reaffirms the historic and abiding friendship of the American people for all other peoples, and declares—

That the American people deeply regret the artificial barriers which separate them from the peoples of the Union of Soviet Socialist Republics, and which keep the Soviet peoples from learning of the desire of the American people to live in friendship with all other peoples, and to work with them in advancing the ideal of human brotherhood; and

That the American people believe the Soviet Government could advance the cause of peace immeasurably by removing those artificial barriers, thus permitting the free exchange of information between our peoples; and

That the American people and their Government desire neither war with the Soviet Union nor the terrible consequences of such a war; and

That, although they are firmly determined to defend their freedom and security, the American people welcome all honorable efforts to resolve the differences standing between the United States Government and the Soviet Government and invite the peoples of the Soviet Union to cooperate in a spirit of friendship in this endeavor; and

That the Congress request the President of the United States to call upon the Government of the Union of Soviet Socialist Republics to acquaint the peoples of the Soviet Union with the contents of this resolution.

## No. 787

611.61/7-551

*The Secretary of State to the President* [1]

[WASHINGTON,] July 5, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: McMahon-Ribicoff Resolution [2]

The McMahon-Ribicoff Concurrent Resolution (S. Con. Res. 11), adopted by the Senate on June 18 and by the House of Representatives on June 26, 1951, stated in the last paragraph "that the Congress request the President of the United States to call upon the Government of the Union of the Soviet Socialist Republics to acquaint the peoples of the Soviet Union with the contents of this resolution."

There is attached for your consideration a draft message from you to President Shvernik of the U.S.S.R. [3] transmitting the full text of this concurrent resolution "reaffirming the friendship of the American people for all peoples of the world, including the peoples of the Soviet Union" as set forth in House Report No. 632.

If you approve, we plan to instruct Ambassador Kirk in Moscow to transmit this message to the Soviet Foreign Office for delivery to President Shvernik. The text of your first person message would subsequently be released to the press and carried on all information media.

The proposed draft from you to President Shvernik includes much of the wording suggested by Senator McMahon and Congressman Ribicoff.

DEAN ACHESON

---

[1] This memorandum was submitted to Secretary Acheson by Assistant Secretary Barrett under cover of the following memorandum of July 3:

"Attached for your signature is a memorandum for the President requesting his approval of the message to President Shvernik which we now propose to use in transmitting the McMahon-Ribicoff Resolution. You will note that the part dealing with the disarmament proposal has been omitted because EUR feels that this would be badly timed right now.

"You will also note that the invitation to the Politburo has been omitted because this conflicts with our basic line and the basic line of the resolution itself to the effect that there is a wide difference between the Russian people and the Politburo." (611.61/7-551)

The earlier drafts of the message to Shvernik referred to here have not been found.

[2] *Supra.*

[3] For text of the message to Shvernik, sent on July 7, see *infra.*

## No. 788

611.61/7-551

*President Truman to the President of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics (Shvernik)* [1]

[WASHINGTON, July 7, 1951.]

I have the honor of transmitting to you a resolution adopted by the Congress of the United States [2] with a request that its contents be made known by your government to the people of the Soviet Union.

This resolution expresses the friendship and goodwill of the American people for all the peoples of the earth and it also reemphasizes the profound desire of the American Government to do everything in its power to bring about a just and lasting peace.

As Chief Executive of the United States, I give this resolution my sincere approval. I add to it a message of my own to the Soviet people in the earnest hope that these expressions may help form a

---

[1] The source text is the copy attached to the memorandum, *supra*. Transmission of this letter was agenda item 1 of the Secretary of State's meeting with the President on July 5. The Secretary's memorandum of the discussion of that item read as follows:

"The President said that he would be delighted to have Senator McMahon and Congressman Ribicoff come to the White House for a ceremony and photographs in connection with the Resolution. Someone should get in touch with Mr. Connally.

"(Arrangements made for the ceremony at 3:00 p. m. July 6.)" (Secretary's Memoranda of Conversation, lot 65D238)

The text of the communication printed here was transmitted in telegram 15 to Moscow, July 6, 5 p.m. with instructions that it and the McMahon-Ribicoff Resolution (transmitted to the Embassy in telegram 16, July 6) be delivered to the Soviet Foreign Minister. (611.61/7-651) Senator McMahon and Representative Ribicoff accompanied Secretary of State Acheson in a call upon President Truman on the afternoon of July 6 at which time this communication was read by the Senator and Congressman and presumably formally approved by President Truman. McMahon and Ribicoff spoke to newsmen at the White House following the ceremony. (Department of State Wireless Bulletin, No. 164, July 6, 1951, p. 1) Telegram 29 from Moscow, July 7, reported that the communication to Shvernik had been delivered to the Soviet Foreign Ministry that morning. (611.61/7-751) The text of the communication was released to the press by the White House on July 7. (Department of State *Bulletin*, July 16, 1951, p. 87) In a statement issued to the press also on July 7 (*ibid.*), the Department of State announced that the Voice of America would broadcast to the Soviet Union President Truman's communication to Shvernik and the enclosed resolution two times an hour, 24 hours a day, for the coming three days. In a statement issued to the press on July 14, the Department of State announced that the Voice of America would that day begin calling attention, in its Russian-language programs, to the failure of the Soviet Government to transmit to the Soviet peoples the text of the McMahon-Ribicoff Resolution as forwarded by President Truman to Shvernik. The Department also released the text of the first of a series of basic Voice of America scripts on the subject. (*Ibid.*, July 23, 1951, pp. 144-145)

[2] Document 786.

better understanding of the aims and purposes of the United States.

The unhappy results of the last few years demonstrate that formal diplomatic negotiations among nations will be largely barren while barriers exist to the friendly exchange of ideas and information among peoples. The best hope for a peaceful world lies in the yearning for peace and brotherhood which lies deep in the heart of every human being. But peoples who are denied the normal means of communication will not be able to attain that mutual understanding which must form the basis for trust and friendship. We shall never be able to remove suspicion and fear as potential causes of war until communication is permitted to flow, free and open, across international boundaries.

The peoples of both our countries know from personal experience the horror and misery of war. They abhor the thought of future conflict which they know would be waged by means of the most hideous weapons in the history of mankind. As the leaders of their respective governments, it is our sacred duty to pursue every honorable means which will bring to fruition their common longing for peace. Peace is safest in the hands of the people and we can best achieve the goal by doing all we can to place it there.

I believe that if we can acquaint the Soviet people with the peace aims of the American people and government, there will be no war.

I feel sure that you will wish to have carried to the Soviet people the text of this resolution adopted by the American Congress.

---

## No. 789

601.6111/7–1351

*The Secretary of State to John Russell Young, President, Board of Commissioners, District of Columbia* [1]

[WASHINGTON,] July 13, 1951.

MY DEAR MR. YOUNG: I refer to the recent appearance before the Board of Commissioners of Mr. Raymond Muir, Deputy Chief of Protocol, at which time he presented to the Board the request of the Department of State for the institution of reciprocal treatment toward Soviet officials who apply for automobile drivers' permits. [2]

---

[1] Drafted by Muir (S/S–PR) and Davis (EUR/EE) and approved by Bonbright (EUR).

[2] In despatch 544 from Moscow, March 19, Minister Counselor of Embassy Barbour recalled earlier Embassy communications reporting on the denial by Soviet authorities of driver's permits to Embassy personnel in Moscow through the device of

*Continued*

As Mr. Muir explained to the Commissioners, the Soviet Government has in recent years made it practically impossible for officials of the American Embassy at Moscow to obtain drivers' permits, and that such permits are important to our representatives for official as well as personal reasons. In an effort to persuade the Soviet Government to change its restrictive policy, the Department now desires to make it equally difficult for Soviet officials to obtain such permits in the District of Columbia.

It is therefore requested that as a first step you authorize the Director of Vehicles and Traffic of the District of Columbia to require "road tests" for all Soviet officials applying for drivers' permits without, however, imposing a more onerous test than customarily required of the ordinary applicant.

It is further requested that you now authorize the Director of Vehicles and Traffic of the District of Columbia, upon further notification from the Department of State, to issue instructions to examining personnel that all Soviet applicants should "fail" the driver's examination. The Department will not request this second step unless the Soviet Government continues its present policy of denying drivers' permits to American Embassy personnel in Moscow. [3]

Sincerely yours,

For the Secretary of State:
JOHN F. SIMMONS
*Chief of Protocol*

---

failing applicants on examinations. The procedure by Soviet authorities had resulted in effectively preventing the operation by Embassy personnel of private automobiles, in view of the prohibitive cost of employing Soviet drivers. Barbour recommended that reciprocal action be taken in Washington in an effort to obtain permits for U.S. personnel in Moscow as a matter of principle. (601.6111/3-1951) Despatch 689 from Moscow, May 24, reported that Foreign Service Officer Culver Gleysteen had applied for and been refused a Soviet driver's license after failing an unreasonably detailed and technical examination. Reciprocal action against the Soviet Embassy in Washington was again recommended. (601.6111/5-2451) On July 3, Raymond D. Muir (S/S-PR) and David H. Henry (EUR/EE) appeared before the Board of Commissioners of the District of Columbia to present a request for the institution of reciprocal treatment toward Soviet officials applying for driver's permits in Washington. Muir outlined the background of the problem and proposed the two-step program described in the letter printed here. The Commissioners agreed to take the matter under advisement pending the receipt of an official request in writing from the Department of State. (Memorandum of conversation by Henry, July 3, 601.6111/7-351)

[3] In a letter of July 19 to Simmons, D.C. Board of Commissioners President Young was informed that the Commissioners had approved the first step of the Department of State's proposal but had not approved the second step. The Commissioners stated that they were willing to give consideration to the further step "if the time comes when it is felt that more drastic action is necessary." (601.6111/7-1951)

## No. 790

561.00/7-1551: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State*

CONFIDENTIAL Moscow, July 15, 1951—8 p. m.

74. *News* referred to in Embtel 71, July 15 [1] appeared at Hotel National newsstand July 14 without any announcement in Sov press. No mention made yet of its appearance. Magazine described as "fortnightly searchlight on world events." Editor is M. Morozov. Newspaper *Trud* [2] is publisher. Issue No. 1 has slick blue-green cover, 32 pages, price ten cents or six pence. Sold here for two rubles.

In spite of name this publication no more concerns itself with reporting news than do Sov newspapers. It deals with current events selected and interpreted in such way as to promote acceptance of certain basic Sov propaganda themes.

The themes are quite familiar. They include: Soviet peace policy and desire for peaceful coexistence; coincidence of this policy with basic interests of world peoples; war useful to and desired by only small number of millionaires and politicians; need for latter to recognize permanency of USSR and people's democracies and settle differences with them through peaceful negotiation; mutual benefit possible in resumption of normal trade with stress on attractive nature of markets in Sov world; deterioration of economic position of non-Sov states due to mil expenditures and Amer econ domination; Anglo-Amer political and econ rivalry.

Magazine purportedly designed to promote peace and counteract "vicious war propaganda" disseminated in West. Its announced purpose is to give sober, balanced picture of international developments with particular attention devoted to Anglo-Saxon affairs. Substance of magazine indicates that "truth" it will publish about these events will be conveyed through statements of foreign visitors to Moscow, Sov visitors abroad and highly slanted commentaries on historical and current themes by well known Sov artists, scientists and intellectuals. It is significant that magazine is devoid of customary Marxist terminology and is obviously meant to reach the broad "peace" movement clientele, majority of whose members

---

[1] Telegram 71 briefly reported that the first issue of the new English language magazine *News* became available on Moscow newsstands the previous day. (561.00/7-1551)

[2] The daily newspaper of the Central Council of Trade Unions (of the Soviet Union).

may have no interest in class struggle of particular social and econ theories.

*News* may be partly destined as guide sheets for CP's "peace" organizations and Commie front groups in effort to shake off ideological taint which may have inhibited progress in attracting broad layers of Anglo-Saxon populations. Thus magazine may eventually replace *New Times* [3] which was clearly holdover from Comintern days even though its name was changed.

Magazine makes big play of Sov initiative in Korea armistice talks and in some way appears predicated on their success. It is certainly too early for any firm appraisal but tone of contents suggests Sovs may desire lessen emphasis on role of USSR as champion of revolutionary struggles abroad and place more stress on portraying it as well behaved national state threatening no one, willing to settle things peaceably and offering an attractive future of bustling, profitable trade.

Although appearance of magazine is significant event, Emb believes its launching should not be accorded gratuitous publicity by US Govt facilities. It is very possible it may never attract wide reading public in view of competition from numerous publications available to Amer readers. In Emb's view, best course would be to await its launching in US and study public and press reaction before deciding on large scale counter campaign to demolish the substance of the material it contains. [4]

KIRK

---

[3] *New Times*, a weekly magazine on foreign affairs, published in Russian, English, French, and German by *Trud*.

[4] Telegram 102 from Moscow, July 21, added some additional commentary upon some "unusual aspects" of articles appearing in the first issue of *News*. The telegram commented in part:

"A basic idea is to emphasize theme of 'peaceful co-existence' and attractive prospects offered by such a condition in form of mutually profitable commerce between two systems."

The telegram also observed:

"Appearance this new publication, devoid of Marxist terminology, possibly reflects recent censure Commie parties abroad for not mastering technique of appealing to middle classes and abandoning such tactics as ill-timed polit strikes in favor of methods which wld advance the cause at a time 'when battle is going on'." (561.00/7-2151)

Secretary Acheson commented upon the appearance of *News* during his press and radio news conference on July 18. The paraphrase record of comments reads in part as follows:

"Mr. Acheson commented that this was obviously a part of the drive—this 'peace-offensive' drive—this Russian lullaby which we were having sung to us now for the purpose of getting us to relax our efforts to go forward with the whole program to build strength in the West. He added that he could not imagine a more stupid or a more dangerous thing that this country could do than to be lulled by that sort of thing." (Department of State *Bulletin*, July 30, 1951, p. 171)

## No. 791

700.00(S)/7-2351: Circular telegram

*The Secretary of State to Certain Diplomatic Offices* [1]

SECRET WASHINGTON, July 23, 1951—1 a.m.

Infotel. OIR Intelligence Estimate [2] of world-wide reactions to, and consequences of, Korean armistice reaches fol conclusions: 1) primary immed aim of Kremlin is to frustrate western mobilization—particularly Ger and Jap rearmament, NATO defense program, and build up of US overseas bases—and if armistice is concluded USSR will pursue this aim by various diplomatic means; 2) USSR is unlikely to succeed in this aim after Korean armistice if US remains firm in its present policies; 3) believing peaceful co-existence impossible and that West might even employ "armed intervention" against USSR, USSR is unlikely make genuine concessions to reduce East-West tension as such course would shift balance of power; and 4) rather than execute genuine general retreat USSR will adopt course presupposing imminent mil showdown with West. OIR does not rule out possible Sov precipitation of such showdown, but it believes USSR is more likely to concentrate on maximizing its immed readiness for war and possibly utilizing local aggression to improve its strategic position.

ACHESON

[1] Drafted by Brown (EUR), approved by Barnard (EUR), and signed for the Secretary by Williamson (EUR/EE). Sent to Belgrade, Frankfurt, Brussels, Copenhagen, The Hague, Lisbon, London for Spofford, Moscow, Oslo, Paris for MacArthur, Rome, Stockholm, Vienna, and Ottawa.

[2] Not further identified.

## No. 792

661.00/7-2351: Circular telegram

*The Secretary of State to Certain Diplomatic Offices* [1]

TOP SECRET WASHINGTON, July 23, 1951—2:35 p.m.

DISCUSSION ON SOVIET POLICY BY NATO DEPUTIES

Our Deputy on the North Atlantic Council reports that in a discussion on Soviet policies the Deputies agreed that Soviet policy in western Europe was 1) to neutralize western Germany and under-

[1] Sent to Belgrade, Helsinki, Stockholm, Trieste, and Vienna.

mine the German Federal Republic with a view to capturing it by the Communist movement; 2) to promote dissension within NATO, especially to split the US from Europe; and 3) to promote economic and political instability through subversion. The Deputies considered the Middle East of particular interest to the Soviets because of its oil and its position astride communications between Europe and Asia and because it is the only Soviet border not protected by a satellite belt. The US, UK, and Canada noted a strategy in the Near East of permitting anti-western sentiment to develop, avoiding direct intervention, but promoting local Communism to take advantage of the loss of US–UK influence. The US Deputy noted three aspects of Soviet policy in the Far East: 1) outright aggression in Malaya, Indochina, and Korea; 2) alternate pressure and friendliness in Thailand, Afghanistan, and India; and 3) consolidation of China. All agreed that it is Soviet policy to neutralize Japan and prevent western military bases there.

ACHESON

---

## No. 793

661.00/7-2751: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

SECRET LONDON, July 27, 1951—6 p.m.

562. Re Dept intel July 23, 1 a.m. [2] Emb ventures submit fol suggestions:

It seems to us at least possible that:

(a) USSR may believe "peaceful co-existence" is possible at least temporarily.

(b) USSR may also believe such temporary "peaceful co-existence" desirable (for its own purposes) and if so it may be willing to make concessions to reduce East-West tension, which, altho possibly not "genuine" in terms of ultimate Sov aims, still may be of sufficient substantive value to warrant very careful attention on our part.

(c) Altho "genuine general retreat by USSR" undoubtedly is beyond bounds of present possibility, it does not necessarily follow that only alternative is a "course presupposing imminent mil showdown with West". There may even be question now whether, for time being, Sovs will attempt further local aggressions thru satellites, since the risk of thereby precipitating gen conflict may now be greater than they care to incur, and USSR might seek course

[1] Repeated to Moscow and Paris for MacArthur.

[2] Document 791.

which it wld calculate to be sufficiently conciliatory to lessen danger of showdown.

(d) Such possibilities may afford us a much desired opportunity to take further step toward reduction of Sov threat without resort to gen war.

Whatever the ultimate objective, Sov leaders in past have unquestionably believed in possibility and desirability (for them) of at least temporary "peaceful co-existence" of Russia and our own world. This was, in fact, a major objective of Sov fon pol of 1920's and 30's—when weakness forced Sovs to seek peace, trade, and non-interference, in order to consolidate their domestic regime and program. There appears to be no conclusive reason for thinking they might not again appreciate advantages of such a policy. Is it not at least possible that Kremlin has now decided it wants another such period? Its various pol and mil adventures in past 3 years, by which it has attempted further to extend its orbit and which have brought it into direct collision with West, have had mixed results—it has achieved some successes, but on other hand its failures have been just as conspicuous, larger, and in sum heavier in the balance. It has, moreover, awakened Western world and aroused our determination (now being put into practical terms) to defend ourselves. Kremlin appears to be aware that it is not strong enough to challenge us in full war. (Emb's info is, of course, not complete, but from such as we have we do not judge that state of Sov industry or its mil and air-def preparations indicate immed gen threat.) Sov power does not appear to be fully consolidated and secure in either Russia or, much less, satellites. It seems at least possible that Kremlin's present conclusion may be to seek safer course now—to reenter a period of "peaceful co-existence", during which it can attempt to strengthen itself, while at same time reckoning that West may relapse again into unprepared complacency or econ crises or both.

We are not in any sense suggesting that US shld place any trust whatsoever in any Sov "agreement", be deceived by their lullaby or offer any "appeasement". On contrary, our point is simply that we believe it at least possible that conclusions of reftel might result in attitude which might allow us to overlook opportunities which, if they do exist, surely we shld be alert to seize and exploit.

What appears to be situation in Chi may have practical bearing on this point and is of course, directly related to subj of reftel, i.e., Korean armistice. Commie Chi seems plainly more an ally, with some independence, than a fully subservient satellite, and Sov policy may have to be cut to some extent to fit Chi desires, e.g., Russia's policy of careful "neutrality" in Korea was swept aside by Chi, and cld be reasserted only after Chi intervention failed. Chi

revolutionary fervor and implicit recklessness may well remain in conflict with Sov cautiousness. It seems at least conceivable that possible consequence of this might be that Russia, compelled to support more stubborn postures in Far East cld, on other hand, be forced by us to be more conciliatory in Eur, where satellites are more malleable.

A specific example of an opportunity possibly to be exploited is suggestion of an early London mtg of deps on Austrian treaty. We feel that at least as far as relationships between East and West are concerned we shld have nothing to lose by such a mtg. In the event that no substantive progress is made at least it cld be used to our propaganda advantage as it wld put the spotlight on Sov performance instead of promises. Main point however is that this wld be excellent opportunity to test out at a plenary council table the new Sov protestations of a desire to cooperate. We feel the timing is propitious and it is such an opportunity as we feel we shld now make every effort to exploit.

GIFFORD

---

## No. 794

032/7-2751: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

CONFIDENTIAL Moscow, July 27, 1951—7 p.m.

147. Re Embtel to Dept 139, July 26 rptd London 20. [2] Seven Quakers with Bailey chief spokesman spent 3 1/2 hours with Malik and interpreter yesterday. Meeting friendly and based on Quaker memo addressed originally to Gromyko whom Quakers haven't seen. Malik asked how influential were Quakers in UK. Quakers stated they were non governmental but had seen Morrison prior to departure who wished them luck and told them Brit Govt as well

---

[1] Repeated to London.

[2] A seven-member delegation from the British Society of Friends, headed by V. Gerald Bailey, visited the Soviet Union, July 16–28, at the invitation of the Soviet Committee for the Defense of Peace. Telegram 139 reported on the "busy schedule" of the delegation. One group had visited Leningrad and another had visited Kiev. The delegation had met with Patriarch Aleksei, RSFSR Minister of Education Kairov, *Literary Gazette* editor Simonov, and *News* editor Morozov. The telegram reported that, according to British observers, the Quaker delegation was well-pleased by its reception but was frankly unwilling to subscribe to one-sided resolutions and appeals by Soviet peace organizations. (032/7-2651) The delegation's visit was extensively reported upon in the British press afterwards. Summaries of press accounts and clippings are in file 761.00/8-2751.

as Brit people wanted friendly understanding with Sov Union, this despite failure Paris meeting and Brit determination to strengthen its defenses.

Quaker memo made 7 points (full text by despatch [3]) which Malik answered in detail. Chief points of Quaker memo based on similar action by West:

(1) Wld USSR restrain hostile propaganda vs West and permit publication responsible statements peace aims Western Govt;
(2) Willingness permit measured intercourse on non pol basis between USSR and West.
(3) Is USSR willing, under promise reciprocal action by West, to pledge non-intervention in action or spirit, directly or indirectly, in internal affairs non-Commie countries?
(4) Willingness share in radical, internatl-controlled disarmament;
(5) Cooperation in world plan for mutual econ aid under UN;
(6) Facilitate admission membership UN countries at present excluded;
(7) Willingness enter great power conversations.

Malik answered each question in detail citing documents and speeches of Sov leaders, especially Stalin. In summary he stated:

(1) USSR does not indulge in hostile propaganda vs West, there is anti-warmongering law in USSR, Sov Union tried in UN to gain acceptance for measure which would penalize dissemination of false news; no comment on second half of point 1;
(2) USSR of course willing, consider large number fon dels recently visiting USSR;
(3) USSR never has and never will mix in internatl affairs other countries; Stalin told Roy Howard revolutions not for export. Bailey asked, what about Czecho in 1948 and Malik replied history of Czecho goes back to Munich. This remark not amplified.
(4) USSR willing, had made many statements regarding disarmament or reduction armaments in UN;
(5) USSR desirous extend mutual economic relations, wanted to increase E–W trade;
(6) USSR desires that all 13 applicants for membership UN be admitted;
(7) USSR willing enter conversations with certain powers, had participated Paris meeting successful outcome of which thwarted by USA assisted by UK and Fr. [4]

At meeting with USSR Min Educ Kairov (Embtel 139) Bailey asked whether Sov children taught to love their enemies. Kairov

[3] Text of the memorandum was transmitted to the Department of State under cover of despatch 76 from Moscow, July 30. (032/7–3051) The text was released to the press by the delegation following its return to Britain.

[4] The text of a copy of rough notes on Malik's comments to the Quaker delegation was transmitted to the Department as an enclosure to despatch 78 from Moscow, July 30. (032/7–3051)

replied certainly not, Sov children are not taught to love enemies of the Sov state. According to Brit Emb this remark was indiscretion by Kairov who apparently under impression his Quaker visitors were members of Anglo Sov Friendship del.

At 2 hour meeting with Morosov, editor publication *News*, Bailey gave page by page critique of first issue suggesting magazine include articles by fon non-Commies, that it be objective, not merely mouthpiece Sov fon policy. Morosov did not reply and there was no give and take but Morosov was affable and friendly. With Morosov was assistant editor of *News*, woman Sergeeva. (Emb has little info about her but believes she was at San Francisco during UN charter conference.)

Bailey also saw Korneichuk who discussed peace (not opera librettos). Today Quakers will see Boris Grekov, academician and member fon affairs comite Supreme Sov. They leave tomorrow apparently disappointed at not seeing Stalin.

KIRK

---

## No. 795

032/7-2851: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

CONFIDENTIAL Moscow, July 28, 1951—3 p. m.

158. RefEmbtel 155, July 28, rptd London 25. [2] Treatment of Quaker del shows Sovs attached some seriousness their visit. Emb does not recall that so much attention paid by Sovs to free world non-Commie, non-official del since immediate post-war years. Based on second-hand reports, chief impressions made on del by Sovs may be perhaps as follows:

1. Though Sovs present many obstacles in reconciling E–W difficulties their attitude not obdurate and at least they willing to listen and discuss with some reasonableness.
2. Renewed effort shld be made by West to discuss current tensions with USSR in effort to reduce them.
3. West (meaning mainly US) has been remiss and should take advantage of present change in Sov tactics (as exemplified by

[1] Repeated to London.

[2] Telegram 155 reported that the British Quaker delegation visiting the Soviet Union (see telegram 147 from Moscow, *supra*) held a press conference on the evening prior to their departure for Great Britain. American correspondents attending the conference felt the Quakers refrained from giving Soviet-biased propaganda answers to questions, and although the conference was never unpleasant, it was far from enthusiastic. (032/7-2851)

Malik peace speech and new publication *News*) to renew negotiations with Sovs. (Bailey told Western correspondents and perhaps Sovs that he personally thought Western position at Paris had been too intransigeant). If these are the correct impressions obtained by Quakers they suggest Sov venture of inviting del was at least partially successful. Sovs also obtained first rate advice on how to make their propaganda more palatable and convincing to West.

One danger to West from above impressions, if they disseminated in UK and elsewhere, is that since Quakers as result religious convictions deny any good comes from force they unable to concede that current apparent change, if any, in Sov tactics may result from imperfect but real success of UN collective resistance aggression in Korea and also to US and free world rearmament.

KIRK

---

## No. 796

*Editorial Note*

A Tripartite Merchant Marine Commission was established pursuant to Part IV A of the Protocol of the Proceedings of the Berlin Conference of the Heads of Government of the United States, United Kingdom, and Soviet Union, August 2, 1945, for the purpose of submitting recommendations to its member governments (the United States, the United Kingdom, and the Soviet Union) concerning the disposition of specific German merchant ships. (See *Foreign Relations*, The Conference at Berlin (The Potsdam Conference) 1945, volume II, page 1488.) The Tripartite Merchant Marine Commission completed its First Report to the member governments on December 7, 1945, recommending an initial allocation of German merchant ships. The report was subsequently amended and approved by the three member governments in early 1946. (See *Foreign Relations*, 1945, volume III, pages 1513–1521.) The Commission completed its Second Report to the member governments on December 4, 1947. The report was not approved by the United States Government. In notes of May 26, 1950, and March 20, 1951, the Embassy of the Soviet Union drew the attention of the United States to the circumstance that the Soviet Union had approved the Second Report of the Tripartite Merchant Marine Commission but the United States had not done so. The notes further pointed out that the Soviet Union had not received 13 ships of the German merchant fleet which it claimed it was legally entitled to in accordance with the recommendations of the Tripartite Commission. (962.53/5-2650 and 962.53/3-2051)

On July 31 the Secretary of State replied to the communications of the Soviet Embassy. The operative portion of his note, which was released to the press on August 2, read as follows:

"The Soviet Government is informed that the Government of the United States has decided not to approve the above-mentioned report. The Tripartite Commission constituted a committee of experts who were authorized solely to make 'recommendations' to their governments. The respective governments were under no obligation to approve these recommendations. The contention of the Soviet Embassy that the Soviet Government is 'legally entitled' or 'has a legal right' to the vessels recommended for allocation to the Union of Soviet Socialist Republics in this report is therefore erroneous." (962.53/7-3151)

Text of the Soviet Embassy note of March 20, 1951, and the note of the Secretary of State of July 31, 1951, were both released to the press by the Department of State on August 2. (Department of State *Bulletin*, August 13, 1951, page 254) In a further note of October 30, 1951, to the Department of State, the Soviet Embassy once again set forth the arguments of the Soviet Government for approval of the Second Report of the Tripartite Commission. The Embassy's note concluded as follows:

"The Soviet Government again affirms the indisputable right of the Soviet Union to that portion of the vessels of the former German merchant marine which is due to it, and insists on the transfer of these vessels to it." (962.53/10-3051)

---

## No. 797

INR files, NIE series

### *National Intelligence Estimate* [1]

TOP SECRET [WASHINGTON, August 2, 1951.]
NIE-25

### PROBABLE SOVIET COURSES OF ACTION TO MID-1952

#### THE PROBLEM

To estimate probable Soviet courses of action to mid-1952 with particular reference to the probability of direct hostilities between the US and the USSR.

---

[1] Regarding the preparation and distribution of National Intelligence Estimates, see footnote 1, Document 613. A preliminary version of this NIE was transmitted by Howe (R) to the Secretary of State under cover of a brief explanatory memorandum of August 1. (661.00/8-151)

ESTIMATE

*I. Soviet Objectives*

1. We believe that the ultimate Soviet objective is a Communist world dominated by the USSR and that the Kremlin believes its vital interests can be assured over the long run only by the elimination of all governments it cannot control. This objective probably reflects a Kremlin conviction that peaceful coexistence of the USSR and its empire on the one hand, and the US and its allies on the other, is impossible and that an armed conflict between them is eventually inevitable.

2. The principal immediate Soviet objectives evidently are:

a. To divide the West;
b. To prevent Western, West German, and Japanese rearmament;
c. To prevent implementation of the US overseas-bases policy.

3. We believe the USSR, in the pursuit of its objectives, will during the period of this estimate:

a. Seek to maintain an advanced state of war-readiness and offset any increase in the capabilities of the US and its allies;
b. Seek to prevent the development of any threat to the vital interests of the USSR or to Soviet control of the Satellites;
c. Seek to expand the territorial limits of the Soviet orbit;
d. Seek to undermine and secure control of governments not yet under Soviet domination;
e. Seek to force countries of the free world to adopt a policy of neutrality in the East-West struggle and to deny their resources, including strategic sites, to the US and its allies.

*II. Military Considerations Underlying Soviet Action*

4. We estimate that the armed forces of the USSR have the capability of overrunning continental Europe and the Near and Middle East (except India and Pakistan) within a relatively short period.

5. The USSR does not now have and would be unlikely to secure adequate naval forces or sufficient shipping to permit it to mount a successful invasion of the Western Hemisphere, even if it should seize the Eurasian continent and the UK.

6. The Soviet Air Force is capable of providing adequate tactical support of all ground campaigns which the USSR might launch against continental Europe and the Near and Middle East (except India and Pakistan), and simultaneously of attempting a strategic air offensive against the United Kingdom and the North American continent.

7. It is impossible to estimate with any accuracy the Kremlin's conclusion with regard to the relative effectiveness of Soviet and US atomic warfare capabilities or with regard to the relative im-

portance of atomic and conventional weapons in determining the issue of a future general war. We believe it probable, however, that uncertainty concerning relative atomic warfare capabilities and concerning the effectiveness of atomic weapons in determining the issue of a general war will be a major, though not necessarily a decisive, deterrent to the Kremlin in making a decision to initiate or deliberately provoke a general war with the US during the period of this estimate.

8. The USSR is capable of employing sabotage against a variety of targets and of employing clandestine methods to attack the US and its allies with atomic, biological, and chemical weapons. We believe, however, that those capabilities would be exercised on an appreciable scale only in conjunction with or immediately preceding general military operations and that they would not be a decisive factor in any Soviet decision to initiate a general war.

*III. Possible Soviet Courses of Action Without Intent to Precipitate or Incur Serious Risk of General War*

9. While in Soviet theory and practice war is an acceptable, and on occasion necessary, instrument for attaining Communist objectives, the Kremlin presumably prefers if possible to attain its objectives by courses of action short of resort to general war. The Kremlin probably estimates that opportunities exist for making limited progress toward both its immediate and long-run objectives, at least during the period of this estimate, without provoking general war, because of:

a. The deterrent effect of the estimated Communist capability to overrun most of Eurasia at will;
b. The deterrent effect of Soviet capabilities for atomic warfare;
c. The divergent interests of the Western Powers; and
d. The general reluctance of the Western Powers to become involved in general war.

10. In discussing courses of action short of general war, it is necessary for clarity to examine each separately. Soviet policy envisages various courses of action—political warfare, limited Satellite or Soviet armed aggression, and even general war. While, therefore, separation for purposes of exposition is essential, the inseparable connection of all possible courses of action must be kept in mind.

A. *Political Warfare*

11. The Kremlin may consider the prospects of success by political warfare * sufficiently favorable to make other courses of action

* Political warfare, as here used, includes all manner of political and economic pressure, diplomatic action in the UN and elsewhere, propaganda and front activi-

*Continued*

unnecessary. For example, with the immediate objective of dividing the Western Powers, undermining US mobilization, obstructing the NATO program and frustrating prospective German and Japanese rearmament and with the ultimate objective of paralyzing opposition to Communism, the Kremlin may fraudulently propose peaceful coexistence of the two systems and may encourage the West to hope for a settlement of outstanding issues by mutual agreement. In the vital area of Western Europe the Kremlin will almost certainly continue to press its "peace" campaign, to exploit the fear of war, to intimidate by display of force, to raise hopes of German unification, and to use the Communist Parties of France and Italy in an attempt to confound the political situation and obstruct effective government. Wherever elsewhere in the world non-Communist governments are weak, as in Iran, Indochina, and Burma, the Kremlin will almost certainly seek to strengthen the Communist position and, if favorable situations develop, will support Communist coups.

B. *Employment of Chinese Communist Forces*

12. The Kremlin might, during the period of this estimate, attempt to achieve some of its objectives by inducing the Chinese Communists to engage in additional military operations. Such operations would involve risk of general war between the US and the USSR, but the Kremlin might estimate that such operations could be so conducted that general war would not be precipitated.

13. *Indochina and Burma.* In particular, the Kremlin may estimate that a Chinese Communist invasion of Indochina or Burma would not involve a serious risk of general war and that such an invasion would facilitate a Communist advance throughout Southeast Asia and the consequent denial of the resources of that area to the free world. The Chinese Communists almost certainly have the capability for conquering Burma. We consider an invasion of Burma possible, but we do not believe it probable during the period of this estimate. The Chinese Communists are now capable of overrunning virtually all of northern Indochina, and we consider an invasion of Indochina possible at any time.

14. *Taiwan.* The Kremlin probably estimates that the Chinese Communists alone do not have the capabilites for a successful invasion of Taiwan so long as the US policy of employing US fleet units for the defense of Taiwan remains unchanged. Under existing circumstances, the Kremlin must realize that active Soviet participation in an attack on Taiwan would substantially increase the risk

---

ties, Communist Party and Communist-controlled trade union activities, support of all kinds of revolutionary movements, and psychological warfare. [Footnote in the source text.]

of general war without necessarily ensuring the success of the operation. We therefore believe it unlikely that the USSR, in prevailing circumstances, would either encourage or participate in a Chinese Communist attack on Taiwan.

15. *Hong Kong and Macao.* Chinese Communist seizure of Hong Kong and Macao probably would be militarily easy, but would presently entail political and economic disadvantages for the Communists. If present conditions continue, we believe it unlikely that forceful seizure of these ports will take place during the period of this estimate.

C. *Employment of European Satellite Forces*

16. The Kremlin might, during the period here considered, attempt to achieve some of its objectives through local military operations by European Satellite forces. However, the Kremlin probably estimates that, because of the more direct impact on NATO interests, such operations would involve greater risk of general war between the US and the USSR than similar local operations by Chinese Communist forces.

17. *Yugoslavia.* The Kremlin undoubtedly attaches great importance to regaining control of Yugoslavia. Yugoslavia is strategically important and is gradually developing close ties with the NATO powers. Titoism continues to be a potential menace to Soviet domination over the Satellites and over the world Communist movement. Satellite capabilites for launching an attack on Yugoslavia are steadily increasing. It is possible that the Kremlin regards the Yugoslav issue as of such importance as to warrant acceptance of the risks involved in a Satellite attack. However, in view of the increasing Western support of Yugoslavia, it is more probable that the Kremlin estimates that a Satellite attack would involve not only serious risk of war between the US or UN and the Satellites, but also the danger that such a conflict would develop into a general war between the US and the USSR. On balance, we believe a Satellite attack on Yugoslavia during the period of this estimate is possible, but not probable.

18. *Greece and Turkey.* Satellite capabilities for attack on Greece and particularly on Turkey are too limited for conquest of those countries. Furthermore, the Kremlin almost certainly realizes that an operation against either of these countries would probably entail US or UN intervention with the possibility of general war developing. We believe, therefore, that the USSR is unlikely to launch a Satellite attack on either Greece or Turkey during the period of this estimate.

19. *Berlin, West Germany, and Austria.* Satellite capabilities for military action against Allied forces in Berlin, West Germany, or Austria will probably remain so limited during the period here con-

sidered and the risk of general war involved in such action would be so great that the USSR is unlikely to launch a Satellite attack during this period.

D. *Employment of Soviet Forces*

20. The Kremlin must realize that commitment of major Soviet forces in any European Satellite or Chinese Communist operation would greatly increase the risk of general war between the US and the USSR. Wherever possible, therefore, the USSR would rely upon European Satellite or Chinese Communist forces for carrying out military operations against non-Communist areas. It undoubtedly would provide such forces with technical and logistical aid and might participate in rear area operations; if it considered the risk acceptable, it might even provide "volunteer" Soviet forces in the forward areas. Open Soviet military intervention, however, would be unlikely excepting in areas considered of great importance to the USSR and where Satellite forces are either unavailable or incapable of successful action.

21. *Greece and Turkey.* The Kremlin probably aims to secure control of Greece and Turkey in order to eliminate bases that could be used for attack on the Soviet orbit and at the same time to secure bases from which the position of the free world in the Near East might be threatened. However, the available Satellite forces alone are probably not capable of conquering Greece and certainly not capable of conquering Turkey. Therefore, such operations could be accomplished only with the active participation of Soviet forces. The Kremlin probably estimates that the US and UN almost certainly would come to the support of Greece and Turkey and that in those circumstances a general war between the US and the USSR would probably result. An attack on Greece or Turkey is therefore unlikely during the period of this estimate.

22. *Iran.* Of the areas where only Soviet forces are available for immediate employment, Iran is unstable and important. Soviet control of Iran would eliminate a potential base for hostile action against the USSR, would deprive the West of a vast oil supply, and would facilitate the subversion or conquest of the Near and Middle East. However, the Kremlin probably estimates that the political and economic instability and the widespread anti-British feeling offer good prospects of increasing Communist influence and eventually of establishing Communist control without direct Soviet intervention. Under these circumstances we believe it unlikely that the Kremlin would consider it necessary to incur the risk of war with the Western Powers involved in Soviet military intervention. But if the British should use military force in their dispute with Iran, the Kremlin might then invoke the 1921 treaty and occupy at least

northern Iran, estimating that it could do so with relatively little risk of general war.

E. *Employment of Soviet Forces Against US Forces*

23. The Kremlin almost certainly estimates that overt and recognized commitment of Soviet forces against US forces in any area would involve not only a local war with the US, in which the US might well use atomic weapons, but also the strong probability of general war with the US, including a US strategic atomic attack on the USSR. Unless, therefore, the Kremlin had decided to accept general war with the US, we believe a Soviet attack on West Germany, Berlin, Austria, or Japan would be most unlikely during the period of this estimate.

24. If the Korean conflict continues or is renewed after a cease fire, the Kremlin will probably continue to aid the Communists in ways which the Kremlin estimates would not involve serious danger of a break between the USSR and US/UN. If, however, the Communist forces in Korea were threatened with decisive defeat, the Kremlin would probably intensify its aid. This aid might well include the introduction of "volunteer" forces. It might even include the employment of Soviet forces to such an extent that a *de facto* local war between the US/UN and the USSR would exist. At every stage the Kremlin will probably endeavor to keep open the possibility of ending the Korean conflict by political negotiation if the global interests of the USSR would be served by disengagement in Korea.

*IV. Possibility of General War*

25. Consideration of the degree of probability of Soviet military action in specific areas must be related to over-all Soviet strategy and policy. If the Kremlin should decide to precipitate or to accept general war, it might launch an attack in any area at any time and in any form as a prelude to such general war. Soviet forces are in an advanced state of war-readiness and could initiate general war at any time with little or no warning. The danger of general war exists now and will continue to exist so long as the USSR is in a position to take action which threatens, wholly or in part, the vital interests of the Western Powers.

26. We believe that the most important immediate objectives of the Kremlin are to divide the West and to halt Western, West German, and Japanese rearmament. If the Kremlin should fail to make sufficient progress toward that end by methods short of general war and if in addition it should become convinced that its superiority in conventional forces were about to be offset (whether through NATO and West German or Japanese rearmament or through Western advances in unconventional armaments), we be-

lieve the Kremlin would consider the advisability of precipitating general war. We believe it unlikely that the Kremlin would adopt this course of action so long as Western rearmament appeared to it only as a transitory impediment to further Soviet and Satellite expansion. On the other hand, if the Kremlin were to conclude that this rearmament threatened the vital interests of the USSR, we believe: (a) if it estimated that the USSR had sufficient means to wage war successfully and that the delay would tip the scales of power irretrievably against the USSR, the Kremlin would precipitate general war; but (b) if it estimated it did not have sufficient means to wage war successfully, the Kremlin would modify its policy and attempt to relax international tension until such time as the Western Powers relaxed their vigilance or other factors favorable to the USSR supervened. It is possible, however, that the USSR might precipitate war even under adverse circumstances if it considered the threat to its vital interests sufficiently real and immediate.

27. We do not believe that during the period of this estimate the Kremlin is likely to conclude that US, NATO, West German, and Japanese rearmament constitutes an immediate threat to the vital interests of the USSR. It is possible, however, that the Kremlin may at any time conclude that the Western rearmament program constitutes an eventual but already unacceptable threat to its vital interests, or that the Kremlin may at any time misinterpret Western defensive measures as indicating an imminent attack on the USSR.

28. There is, moreover, a serious possibility of general war developing within the period of this estimate from an action or series of actions not intended to produce that result. The Kremlin might, for example, miscalculate the degree of risk involved in a particular action or underestimate the cumulative effect of several actions. Or, it might regard a particular action as so necessary or so advantageous as to warrant assuming even a serious risk of general war.

29. We recognize the desirability and the importance of concluding this estimate with a simple and direct statement of the likelihood or unlikelihood that the Kremlin will deliberately precipitate or provoke general war between the US and the USSR during the period here covered. Existing intelligence does not enable us to make such a precise forecast. The USSR has the capability to launch general war and may decide to precipitate general war. Moreover, the international situation is so tense that at any time some issue might develop to a point beyond control. †

† It is the view of the Director of Naval Intelligence, with respect to Section IV above, that the final paragraph of this estimate should read as follows:

*Continued*

## No. 798

611.61/8-651

*The President of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics (Shvernik) to President Truman* [1]

[Translation]

YOUR EXCELLENCY: I have the honor to acknowledge the receipt of your communication of July 7, 1951, [2] and of the enclosed resolution of the Congress of the United States of America and to transmit to you a resolution of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics. [3]

This resolution expresses the feelings of sincere friendship of the peoples of the Soviet Union toward the peoples of the whole world—it speaks of the fact that the Soviet people is unified in its attempts to establish a stable peace and to eliminate the threat of a new war.

The Soviet people has no basis for doubting that the American people also do not want war.

However, the Soviet people know well that there exist in some states forces which are striving to unleash a new world war, in

---

"It is recognized that precise information on enemy intentions is rarely available and that enemy counteraction cannot be accurately predicted. However, all aspects of the Soviet problem considered, we believe it unlikely that the USSR will deliberately choose to precipitate or undergo the hazards of general war during the period covered by this estimate. Although the possibility of war by miscalculation cannot be discounted during periods of high international tension, we believe that in pursuing various courses of action short of war with the US, the USSR will seek to increase its power and damage the interests of the US whenever and wherever feasible, but will at every turn attempt to exploit each course of action with such caution as to avoid direct military aggression against the vital interests of the United States." [Footnote in the source text.]

[1] The Russian-language original of this communication and the enclosed resolution (not printed here) were sent to the Secretary of State on August 6 under cover of a brief, undated note from Soviet Chargé Karavaev requesting their transmission to President Truman. Later in the day on August 6, President Truman instructed the immediate publication of Shvernik's communication and enclosed resolution as translated in the Department of State. The two documents in translation were released to the press in Department of State Press Release No. 705 and were printed in Department of State *Bulletin*, August 20, 1951, pp. 294-296. A facsimile of page 2 of *Pravda* (the official organ of the Communist Party of the Soviet Union) for August 8, 1951, containing the Russian text of Shvernik's communication and the enclosed resolution of the Presidium of the Supreme Soviet of the USSR, is printed in *Current Digest of the Soviet Press*, August 18, 1951, p. 4; for translations of the two documents, see *ibid.*, pp. 3, 5-6. The Department of State translation of the two documents is also printed in Folliot, *Documents on International Affairs, 1951*, pp. 311-317.

[2] Document 788.

[3] Regarding the resolution, see footnote 1 above.

which the circles in question see the source of their own enrichment. The peoples of the Soviet Union believe that there will be no war if the peoples take into their own hands preservation of peace and defend it to the end, unmasking the attempts of those forces which have interests in war and which are trying to draw the people into another war.

I share your opinion that a desire for peace and brotherhood exists in the hearts of a majority of people. Therefore, governments which not with words but with deeds are striving to support peace must encourage by every means the peaceful strivings of their peoples.

The Soviet Government assists in every way the unification of the efforts of the Soviet people fighting for peace with the efforts of the peoples of other countries. It hospitably receives communications of peace from any country and by every means contributes to the intercourse of the Soviet people with the peoples of other countries, placing no barriers in the path.

There is no doubt that friendship between peoples which is mentioned in your communication pre-supposes the development of political, economic and cultural relations and connections between peoples on a basis of equal rights. There is also no doubt that a most important step on this road must be the elimination of any discrimination with regard to the Soviet Union on the part of the American authorities.

The duty of all peace-loving peoples consists in steadfastly carrying on a policy of war prevention and preservation of peace, of not permitting arms races, of attaining limitation of armaments and the prohibition of atomic weapons with the establishment of inspection over the implementation of such a prohibition, and of cooperating in the conclusion of a Five Power Pact for the strengthening of peace.

The conclusion of such a pact would have an exceptionally important significance in the improvement of Soviet-American relations and the strengthening of peace among peoples. Such a pact would raise the confidence of all peoples in the preservation of peace and, moreover, would permit the possibility of limiting armaments, of lightening the burden of military expenditures, which lie with all their heaviness on the peoples' shoulders.

In implementing the indicated measures the American people will always find full cooperation on the part of the Soviet people, who unalterably defend the cause of peace.

I hope that the text of the resolution of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics will be brought to the attention of the American people.

I take this occasion to request you to transmit to the American people my greetings and good wishes from the people of the Soviet Union.

NIKOLAI SHVERNIK

Moscow, August 6, 1951.

---

## No. 799

661.00/8-751: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

SECRET Moscow, August 7, 1951—7 p.m.

222. Emb greatly interested in Depintel July 23 1 a.m. [2] and Emb London's comments (London's 8, July 27, sent SecState 562 rptd Paris 203 [3]). Emb believes OIR and London have discussed "peaceful co-existence" in 2 different concepts and assumes that OIR under its point one considered the presumed Sov emphasis on diplomatic means in immediate post Korean armistice period as tantamount to "peaceful co-existence" for current period dealt with London's 8. Of course, permanent "peaceful co-existence" means Sov abandonment of world Communism which is unlikely in foreseeable future and is thus impossible as long as Sovs retain this objective. This Amb therefore assumes there is agreement that Sovs may take some measures in current period to relax tension, hamper Western rearmament and unity and make possible consolidation of present territorial limits of Sov orbit.

These measures will probably not involve concessions of a specific tangible nature however. Sovs can probably go far in direction of relaxation of tension by refraining from military action through satellites for an extended period, promote cultural and informational exchange (on controlled basis, of course), offer attractive trade deals, throw out prospects for negotiated settlements on such issues as Indo China etc. In this connection, Emb London's suggestion regarding another meeting of Austrian deputies provides means for sounding out Sov intention along this line.

Although we are not in position to estimate effect of such program abroad, we feel that reaction of countries other than US can conceivably alter the conclusion in OIR's point 2.

---

[1] Repeated to London and Paris.

[2] Document 791.

[3] Document 793.

OIR's point 3 appears to place USSR in position of deciding on mil showdown with West at about time US policies if persisted in would result in mobilization of adequate mil force to deal with any Sov action.

Although it is early in the game, it is possible that the Sovs hope to bring about a situation through their current "peaceful co-existence" campaign in which there are for sometime no actual hostilities going on between the 2 systems. They may have recognized that further attempts at territorial expansion through force may be just too dangerous in light of West progress in mil preparations. They wld hope then to relax tension and slow down West rearmament efforts appreciably in order give themselves opportunity to proceed unmolested for necessary time with development of resources already under their control. Considering their centralized direction and control of human and physical resources they may well feel they can eliminate dispariture mil-econ potential between 2 systems and arrive at better position to challenge mil might of West in 10 or 15 years than they will be in perhaps 1954. This is convincing reason for them to pursue course toward relaxing tension which they will certainly attempt achieve with minimum of specific concessions, if any. Outcome may be different from what they expect in view of their inability to comprehend flexibility and strength inherent in capitalist system, but such program if they are indeed embarked upon it provides us with opportunities from strong diplomatic and psychological offensive of our own.

Along this line we agree with idea Emb outlined in London's tel that we should be quick to seize upon opportunities to clarify Sov intentions and positions. If there is substance to them we stand to gain thereby, if there is not we gain in keeping world public alive to Sov menace. Paris talks were good example of what can be done.

KIRK

---

## No. 800

761.5211/8-851

*The Acting Attorney General (Ford) to the Secretary of State*

CONFIDENTIAL WASHINGTON, August 8, 1951.

MY DEAR MR. SECRETARY: As you are aware, this Department has previously communicated with your Department concerning the advisability of requiring the Soviet Union to operate in the United States through a Commercial Attaché rather than through the Amtorg Trading Corporation. While I appreciate the position

taken by the Department of State in 1948 [1] that the transfer of Amtorg's activities to the Soviet Embassy might not be in the interest of commercial or industrial concerns in this country which continue to trade with the Soviet, it appears that the commercial aspects of this situation do not have the same significance at this time as they did in 1948 and that therefore the situation merits reexamination.

Reports recently submitted by the Federal Bureau of Investigation, copies of which have been furnished to your Department, reflect that the commercial activities of Amtorg have declined steadily in recent years. This is evidenced by the fact that the offices of Amtorg have been moved to much smaller quarters; the number of employees has decreased from 393 in November–December 1947 to 14 at the present time; the bank balances have decreased from seven to five figures, and there has been a marked decrease in the import and export business engaged in by Amtorg until the amount of trade now being handled by that corporation is but a small fraction of its previous volume.

The considerations which prompted earlier communications to the Department of State on this subject still obtain. Amtorg, of course, continues to provide an excellent cover for Soviet espionage activities. I feel, therefore, that the threat which Amtorg presents to the security of the United States as a whole outweighs the inconvenience which might be experienced by the few firms which still maintain trade relations with the USSR through Amtorg. In the circumstances I shall appreciate an expression of your views as to the desirability of requesting the USSR to take the necessary steps to effect a transfer of the activities of Amtorg to the Soviet Embassy in Washington.

Sincerely,

PEYTON FORD

---

[1] In 1948 the Attorney General proposed to compel the Amtorg Trading Corporation, the official purchasing and sales agency of the Soviet Union in the United States, to register under the Foreign Agents Registration Act of 1938, as amended. In a letter of May 25, 1948, to the Attorney General, under reference here, the Secretary of State expressed the view that if Amtorg were compelled to register under the Act, the Soviet Government would dissolve Amtorg and handle its trade through the Embassy. It was the Secretary of State's opinion that such a development would be detrimental to the best interests of U.S. firms doing business, but he did not wish to oppose prosecution of Amtorg if the Department of Justice were satisfied that the courts would rule in favor of the U.S. Government in the matter. (800.01B11–Registration/5–2548) Compulsory registration of Amtorg was successfully carried out during 1949; documentation on the matter is in *Foreign Relations*, 1949, vol. v, pp. 754 ff.

## No. 801

611.61/8–851

*Department of State Press Release No. 709*

[WASHINGTON,] August 8, 1951.

At his press conference today, [1] Secretary Acheson made the following statement:

I am glad to note that the Soviet Government has finally seen fit to release the text of the Congressional Resolution expressing the friendship of the American people for the peoples of the Soviet Union which was transmitted by President Truman to Mr. Shvernik over a month ago. [2] This is a step forward. The peoples of the USSR have now seen, in striking contrast to what they are continuously told by their own government, an assurance that the American people and the government of the United States are earnestly seeking a real peace. The members of Congress deserve our thanks for wisely adopting the resolution which made it possible to get this truth to the peoples of the USSR.

In expressing satisfaction over the Soviet Government's disclosure of the Congressional resolution of peace and friendship, let me add the hope that this may be the first of many actions to permit the peoples of the Soviet Union to catch up with the facts of the

---

[1] Secretary of State Acheson began his press and radio news conference of August 8 by reading the statement printed here. There followed a number of questions from the correspondents regarding the significance of Shvernik's communication of August 6 and the attached Resolution of the Presidium of the Supreme Soviet of the USSR. A final question and answer on this topic summarized the content of the other questions and answers:

"A correspondent inquired if it would be correct to say that the Secretary did not think that this publication meant a genuine change in Soviet foreign policy in the direction of encouraging or aiding and abetting peace. Mr. Acheson replied that that would be quite correct. He commented that he did not expect a change in that way and he never had, and he thought everything that he had said over the last three years had been that he did not believe Soviet policy changed in that way. He declared that the strategy remained the same. He stated that the tactics were different from time to time, but the purposes did not change." (Memorandum by McDermott (S/M) of the Press and Radio News Conference, August 8, News Division files)

[2] According to OIR Report CS 5.36, September 10, "World-Wide Reaction to the Friendship Resolutions Exchanged between the US and the USSR, July and August 1951", prepared in the Office of Intelligence Research, Department of State, the McMahon–Ribicoff Resolution (Document 786) and President Truman's communication of July 7 to Shvernik (Document 788) were not publicized in the USSR until Shvernik's communication of August 6 to Truman (Document 798) was sent, when the exchanges were broadcast simultaneously by the Soviet Home Service Radio on August 7 and published by all Moscow newspapers on August 8. The friendship resolution of the U.S. Congress and the accompanying message of President Truman "gave rise to only meager though favorable comment in the non-Communist Western European press, as contrasted to the Soviet message of President Shvernik and the Supreme Soviet in reply. The latter was given wide play in most Western European non-Communist papers which almost universally regarded it with suspicion while the Communist press lauded it as a genuine expression of the Soviet desire for peace." (611.61/9–1051)

world situation, particularly with respect to the attitudes and policies of other peoples and their Governments.

The iron curtain remains a basic obstacle to the attainment of that peace which will ease the tension in people's minds everywhere. It is vital that it not merely be penetrated occasionally by a ray of truth but that it some day cease to exist—and the sooner the better for the realization of the general hope for a peaceful and secure world.

There is one phrase used by Mr. Shvernik in his letter with which I think we can all agree. That is his reference to the necessity that governments must encourage by every means the support of peace not just with words but with deeds. These deeds are exactly what we have been awaiting from the Soviet Union. Mr. Shvernik states that the duty of all peace-loving peoples consists in steadfastly carrying on a policy for the prevention of war and for the preservation of peace, of not permitting an armaments race, of attaining the limitation of armaments and the prohibition of atomic weapons with the establishment of inspection over the implementation of such a prohibition.

Since the end of the war the United Nations, which was ignored in Mr. Shvernik's letter, has been working to attain precisely these objectives. But its work has been obstructed continually by the Soviet Government. If the Soviet Union now wants to reach concrete realistic agreements, all of these objectives can be realized within the United Nations.

However, the Soviet communication brings up again the subject of the vague "Five-Power Pact." Why only five powers to make peace? We already have a peace pact, not only among five powers but among sixty nations, in the United Nations Charter.

The Soviet communication uses the word "peace" much too loosely. We hold "peace" to be more than a word on a printed page.

"Peace" for us is the opportunity to live our own lives in full liberty and to work together in true friendship with all peoples of this earth towards creation of a better life. "Peace" is freedom and justice and progress for all mankind.

I wish again to invite the Soviet Government to join us wholeheartedly on the United Nations road to peace. The Soviet Government could show its will for peace, not merely in words but by deeds, by joining without reservation in carrying out the programs set forth in three United Nations resolutions which point the way to peace. These are the three key resolutions passed by the United Nations General Assembly in 1949 and 1950 which set forth the kind of conduct and action necessary to world peace. They are entitled "Essentials of Peace," "Peace Through Deeds," and "United for Peace." Each was approved by the great majority of the nations of the world, but opposed by the Soviet Union and its satellites. I suggest that everyone should re-read and study these resolutions, and by "everyone" I mean also the peoples of the USSR. Will their government give them the same opportunity that peoples of the free world have had to read and study these important resolutions? That remains to be seen.

The door is wide open to the Soviet Union to participate with the free world in making these resolutions effective.

## No. 802

*Editorial Note*

President Truman took note and commented upon President Shvernik's communication to him of August 6 (Document 798) on a number of occasions during the month of August. At his news conference on August 9, President Truman issued a prepared statement taking note of Shvernik's communication and expressing gladness that the Soviet Government had permitted publication of the McMahon-Ribicoff Resolution. About the Shvernik communication, President Truman made the following specific comments:

"I noted with special interest the statement in Mr. Shvernik's letter that the Soviet Government places no barriers in the path of the intercourse of the Soviet people with the people of other countries. This has not been true in the past—witness the rigid prohibitions laid down by the Soviet Government against people from the Soviet Union traveling abroad and people from other countries traveling in the Soviet Union, the rigid restrictions imposed by the Soviet Government on the reading of books and magazines and newspapers from outside of the Soviet Union by Soviet people, the large-scale and costly effort by the Soviet Government to 'jam' the radio broadcasts of the Voice of America and other free radios, the prevention by the Soviet Government of Russian wives of citizens of other countries from leaving the Soviet Union, and many other barriers preventing travel and communication between the Soviet Union and other countries. I will be particularly interested to see whether the Soviet Government means what it says, and now intends to change these policies." (*Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, page 455 or Department of State *Bulletin*, August 20, 1951, page 296)

At this news conference, President Truman indicated that he intended to respond to Shvernik's communication. (*Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, page 456)

President Truman transmitted to Congress the texts of President Shvernik's communication of August 6 and the accompanying resolution of the Presidium of the Supreme Soviet of the USSR under cover of a Special Message of August 20. In that message, President Truman reviewed the circumstances of the transmission of the McMahon-Ribicoff Resolution to the Soviet Government under cover of his personal message of July 7 to President Shvernik, of the delay of more than a month in the publication within the Soviet Union of those documents, and their eventual release in connection with Shvernik's message of August 6. President Truman observed that the published exchange had not resulted in any alteration of the character of Soviet propaganda and public state-

ments concerning the United States nor had given rise to any evidence that the Soviet Union was prepared to modify its "hostile and expansionist policies". The President's message went on as follows:

"If the Government of the Soviet Union wants to make progress toward peace, it can stop flouting the authority of the United Nations, it can cease supporting armed aggression in defiance of the verdict of the United Nations, it can make constructive contributions toward establishing conditions of peace with Germany, Austria and Japan, it can refrain from employing force to maintain in other countries regimes which do not command the support of their peoples, it can cease supporting subversive movements in other countries, it can cease its distortion of the motives and actions of other peoples and governments, it can stop violating fundamental human rights and liberties, and it can join in good faith in the earnest effort to find means for reducing armaments and controlling atomic energy in the interests of peace.

"Such acts would do far more than any words to show that the Soviet Union really wants peace.

"Until we have concrete evidence that the Soviet Union has in fact changed its policies, I cannot advise the Congress to change the policies of the United States. I believe that the policies on which we are embarked—to give every support to the constructive actions of the United Nations for peace, in Korea and elsewhere, to build defenses and to join in building the defenses of the free world, and to contribute in every way we can to the growth and strenghtening of free institutions around the world—I believe these are the policies most likely to bring about a change in the aggressive policies of the Soviet Government. Consequently, I urge that the Congress move ahead with the great program for national security and world peace that is now before it."

In particular President Truman urged Congress to take steps to open up channels of communication between the peoples of the United States and the peoples of the Soviet Union, and he also urged Congress to provide adequate appropriations for the Campaign of Truth and the work of the Voice of America. For his part, President Truman promised to answer Shvernik's communication "in the near future".

For text of President Truman's Special Message to Congress, see *Public Papers of the Presidents of the United States: Harry S. Truman, 1951,* pages 475–477 or Department of State *Bulletin,* September 3, 1951, pages 379–381.

At his news conference on August 30, President Truman was again asked by a reporter about his intention to respond to Shvernik's communication. The President replied: "No, there is no hurry. Those things have to be done very deliberately. I meant what I said when I said I would pursue the correspondence."

(*Public Papers of the Presidents of the United States: Harry S. Truman, 1951,* page 493)

## No. 803

761.5211/8-851

*Memorandum by the Director of the Office of Eastern European Affairs (Reinhardt) to the Legal Adviser (Fisher)* [1]

CONFIDENTIAL [WASHINGTON,] August 14, 1951.

Subject: Amtorg Trading Corporation

There is attached a letter from Acting Attorney General Peyton Ford [2] referring to reports recently submitted by the FBI and requesting the views of the Department as to requesting the USSR to transfer Amtorg's activities to the Soviet Embassy in Washington. There is also attached a copy of an FBI report [3] on Amtorg which it is presumed formed the basis of Mr. Ford's letter.

In view of your interest in Amtorg's activities, your comments on the Attorney General's suggestion are desired.

Our tentative comments are:

1. In view of the decline in U.S.-Soviet trade and the change in trade procedures by-passing Amtorg, from the point of view of future trade relations, there would appear to be no objection to the proposal.
2. A small volume of trade would be handled by Embassy personnel having diplomatic immunity.
3. The old argument as to the advantages to the U.S. businessman to be able to sue in a United States court now arises but in a different form.

Some suits against Amtorg are believed still to be pending in United States courts (Your staff may be able to advise concerning these.) and elimination of Amtorg by the United States Government would result in the flight of remaining Amtorg assets or at least the disappearance of the defendant. The Soviets might use our action to avoid meeting other Amtorg obligations.

4. The addition of another item for the Soviet propaganda parade that the United States is responsible for world tension rather than the U.S.S.R.
5. Viewed in the light of these considerations, the Attorney General's proposal appears to have some merit.

[1] Drafted by Truesdell (EUR/EE).

[2] Ford's letter of August 8, Document 800, was attached.

[3] Not attached to the source text.

## No. 804

611.61/8-2451: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State*

SECRET PRIORITY Moscow, August 24, 1951—1 p.m.

323. Following suggestions may possibly be helpful in preparing reply to Shvernik which, according to recent Presidential comments, will soon be forthcoming.

Emb feels confident that American and Morrison statements have been solid blow to Sovs and shld be followed up soonest possible. Prompt reply to Shvernik, if published here, will come when previous Anglo-Amer statements are still fresh and shld have cumulative effect as well as permit greater opportunity for reference (or rebuttal) texts of first exchange. Moreover speed will keep exchange incident alive and Sovs on defensive. Latter undoubtedly hope to avoid additional such statements and wld certainly prefer to nullify or reduce effects of previous statements thru daily propaganda, while making it appear that, both sides having presented their views, the incident is now closed.

Emb believes Presidential message shld include specific material in support of its basic contentions, and feels it is particularly important to pound home to Sov citizens in simplest possible terms facts about specific aggressive Sov acts which have caused internatl tension. References to internal Sov affairs shld also be included and made as explicit as possible. Tone of such references is of greatest importance. In Emb's view, they shld reflect sympathetic awareness that thinking Sov people acquainted with burdens and repressions they are suffering at hands of regime and are not in position to change situation quickly. On other hand, Sov people shld be made to appreciate that free world shocked by scale of Sov malpractices which has no parallel in history unless it be Nazi Germany.

Emb suggests Presidential reply could suitably include proposal for periodic exchanges of official statements (at Presidential or Departmental level) with Sov's ltr publication on reciprocal basis, possibly along lines suggested Emb desp 488, Feb 24. [1]

Sovs might find such a proposal particularly difficult to refuse or evade in view of their recent complaints accusations re lack of US publicity given pro-Sov views, including Shvernik statement, and at

[1] Despatch 488 transmitted a memorandum prepared by Embassy Second Secretary Lister containing suggestions for a propaganda campaign which would exploit the absence of a free press in the Soviet Union and Eastern Europe. (511.61/2-2451)

a time when "peaceful co-existence" theme being carefully developed.

KIRK

---

## No. 805

611.61/8-2851

*Memorandum by the Intelligence Adviser, Bureau of European Affairs (Barnard) to the Acting Assistant Secretary of State for European Affairs (Bonbright)* [1]

TOP SECRET [WASHINGTON,] August 28, 1951.

The following is the gist of conversations which took place on 23–24 August between Yuri Zhukov, the Tass representative in Paris, and an American newspaperman . . . .

1. Zhukov and source met on August 23. Zhukov has recently returned from a vacation in Russia where he had talked with Ilya Ehrenburg and Soviet Foreign Office officials. He also had the opportunity to get the feel of the Russian people for the first time in two years. Zhukov did not receive the impression that war is imminent and he observed nothing which suggested war preparations. In contrast to the situation in 1938 and 1939 he found an abundance of civilian goods and he pointed to the Russian production of refrigerators and "victory" cars as proof that the Russians are not turning out military products. Foreign Office personnel were sanguine about peace possibilities.

2. Commenting on the breakdown of Korean negotiations Zhukov stated his belief that the talks are only temporarily suspended and that a solution could be found. He added that Moscow was eager to bring an end to the war.

3. As in an earlier conversation, Zhukov spoke of Soviet peaceful intentions, pointing out that the Russians are attempting to apply atomic energy to boost agricultural production. He wondered whether American intransigence would cut off this peaceful development. Zhukov said that the Russian people are genuinely friendly to the American people. He added that the Russians had had great affection for the American engineers who helped them to establish socialism years ago and that they had never forgotten American aid during the war. When asked why Soviet newspapers did not publicize these themes Zhukov replied, "Your propaganda forces our propaganda to show your bad sides as well as your good sides".

4. Zhukov stated that Gromyko's appearance at San Francisco would show that the Russians are interested in peaceful settle-

[1] The source text indicates that this memorandum was seen by Deputy Under Secretary Matthews and his special assistant, Nolting. Copies of this memorandum were also directed to principal officers in EUR, to S/ISA, and to the Embassies in London and Paris.

ments. For the next 45 minutes Zhukov discussed a possible Truman-Gromyko meeting. At first he was speculative, and then he asked source how such a meeting could be proposed in such a way as to avoid embarrassment on both sides. Source replied that the normal way would be for the Russian Foreign Office to approach the American Government through diplomatic channels. Zhukov expressed the fear that acceptance of such a proposal by the U.S. Government might be interpreted as "appeasement" by Truman's opponents in view of the current political situation in Washington. Zhukov asked source how he would arrange an interview between an American publisher and the President. Source replied that the situations were not at all parallel. When Zhukov persisted source stated that the easiest way would be to approach Joseph Short and ask him to arrange the interview. Zhukov then remarked that possibly *Pravda* or Tass representatives in Washington would approach Short. When source pointed out that such a procedure was quite irregular Zhukov reiterated that it was important to avoid possible embarrassment to either side. Zhukov next asked if it would attract undue attention if Gromyko went to San Francisco via Washington. Source asked if Zhukov had knowledge that Gromyko wanted to meet Truman in Washington. Zhukov replied, "I have just seen Gromyko". (*Source comment:* one cannot always draw logical conclusions from Zhukov's statements, which sometimes appear deliberately cryptic in order to permit several interpretations.)

5. Zhukov and source met again on August 24. Zhukov asked if source believed Truman would have time to discuss international affairs before becoming involved in domestic issues. Source replied yes, that Truman would attend the San Francisco conference. Zhukov wondered whether San Francisco would be as satisfactory as Washington for a Truman-Gromyko meeting. Source replied that that point required an official decision. Source then asked whether Zhukov had discussed this topic with Soviet Embassy in Paris. Zhukov replied that there had been speculation on the suitability of one city over the other for a meeting during his talks in the Embassy. [2]

---

[2] There is no further documentation in Department of State files regarding an effort to arrange a meeting between President Truman and Soviet Deputy Foreign Minister Gromyko before, during, or after the conference for the conclusion and signature of the Treaty of Peace with Japan, held in San Francisco, September 4–8, 1951.

## No. 806

611.61/9-551

*Memorandum by the Deputy Assistant Secretary of State for Public Affairs (Sargeant) to the Deputy Under Secretary of State (Matthews)* [1]

CONFIDENTIAL [WASHINGTON,] September 5, 1951.

Subject: Draft Reply from President to Shvernik

The attached draft, like the Japanese Peace Treaty, is an attempt to compromise widely differing points of view and, as such, will not be entirely satisfactory to anyone.

The principal issues are:

1) *Should the President continue this correspondence?*

The President himself took the initative on this by announcing at the press conference that he intended to answer the Shvernik letter. [2] He also has referred to his proposed reply at subsequent press conferences.

2) *Should the President's reply be heavily weighted on the substantive side—a kind of "White Paper" on US-USSR relations—and be designed to end the correspondence, or should it be used as another wedge to widen further the crack in the Iron Curtain caused by the McMahon Resolution and the President's letter of transmittal, plus the Morrison-Pravda exchange?*

There are good arguments for both points of view. The attached letter is an effort to find a middle road. We believe it has enough substance to stand alone, yet it also poses a further challenge to the Kremlin.

3) *Should the President be committed to a special broadcast to the peoples of the world before the speech is written and fully approved?* [3]

---

[1] Drafted by Oren Stephens (P). Attached to the source text is the following handwritten note from Sargeant to Matthews, dated September 6:

"Doc—

"*Shvernik Exchange*

"I think I have gone as far as possible in trying to reconcile the views of Phil Jessup, Chip Bohlen, George Perkins, and Jack Hickerson.

"Time is now pressing us. So is the White House. I'd like to talk over our next move with you Friday morning, on basis of attached memo and draft—Howland"

There is no indication on the source text or elsewhere in Department of State files regarding the response to the proposals made in this memorandum. For further information regarding the drafting of a proposed message from President Truman to Shvernik, see footnote 5 below.

[2] Regarding the President's news conference comment, see Document 802.

[3] According to a memorandum of August 22 from Erasmus H. Kloman, Jr. (P) to Bohlen, Sargeant (P), Shulman (S), and officers in EE, UNA, and S/P, a proposal

*Continued*

Original objections to the broadcast arose when it was proposed as a special message to the Soviet peoples. It is our feeling this objection is removed by broadening the target to include all peoples. It is inconceivable to us that there will not be an occasion in the next few months (particularly as a prelude to the General Assembly) when we will want the President to make a major foreign policy pronouncement which will get maximum attention throughout the world. However, we do not believe such a speech could or should be written now because the substantive decision which presumably would provide its base has not been finalized and, furthermore, it is impossible to foresee the circumstances which will exist several months hence.

4) *Should a continuation of this correspondence coincide with the San Francisco Conference?* [4]

Since no action was taken on this before the San Francisco Conference, we believe it should now await the conclusion of that conference. David Lloyd of the White House staff and Oren Stephens of this office, who have been discussing this matter, propose the following tentative schedule:

1. Submission of draft to White House September 10.
2. Transmission to Shvernik September 15.
3. Release to press (if Soviets have not already released) September 22 for Sunday papers or September 23 for Monday morning papers.

---

had apparently been made for a broadcast to be made by President Truman, transmitted by VOA and other "free world" radio and also by Soviet broadcasting channels, to the people of the USSR in reply to Shvernik's communication of August 6. A working group, headed by Bohlen, was to meet on August 23 to consider the merits of the proposal and develop an outline for such an address. (611.61/8-2251) No documentation has been found regarding the meeting of August 23 when presumably the proposal for a Presidential broadcast to the USSR was rejected.

[4] The reference here is to the conference for the conclusion and signature of the Treaty of Peace with Japan, held at San Francisco, September 4–8, 1951.

[Enclosure]

PROPOSED LETTER FROM PRESIDENT TRUMAN TO HIS EXCELLENCY NIKOLAI MIKHAILOVICH SHVERNIK, PRESIDENT OF THE PRESIDIUM OF THE SUPREME SOVIET OF THE U.S.S.R. [5]

I have the the honor to acknowledge receipt of your letter of August 6, 1951, [6] and the enclosed resolution of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics.

Both were made public the day they were received. I transmitted them formally on August 20 to the Congress of the United States, [7] whose resolution [8] expressing the friendship of the American people for all other peoples, including the peoples of the Soviet Union, initiated this exchange of views.

In the United States the channels of public information are neither directed nor controlled by the government. Thus the extensive publicity given these communications shows clearly the public interest here in the statements of high Soviet officials on matters affecting world peace.

But I must tell you, frankly and to the point, that the general American reaction was one of disappointment. This was quite obvious from the many letters I received from private citizens, together with comments in newspapers and on the radio and television. These reflected a deep regret that the Soviet Government had given no indication of a willingness to cooperate more fully with the United Nations in support of its Charter, but instead appeared to wish to create another and more limited obligation through a five-power pact. I wonder whether your government would contin-

---

[5] A marginal typewritten notation at the top of the first page of the source text reads: "(Very rough draft—HHS: September 5th, 1951)".

An earlier draft of this proposed message to Shvernik was circulated by Sargeant to Bohlen (C), Matthews (G), Ferguson (S/P), Perkins (EUR), Jessup (S/A), and Hickerson (UNA) under cover of the following explanatory memorandum:

"Attached is a proposed draft of the reply from President Truman to President Shvernik. Since the White House has expressed a desire to see a Departmental recommendation on this reply as soon as possible, your concurrence would be appreciated by the close of business on Thursday, August 30."

The first three and final seven paragraphs of the earlier draft were identical with the version printed here. The central section of the proposed message as printed here represents a substantial revision of the earlier draft. (611.61/8-2951) Only Jessup's comments, as set forth in a memorandum of August 29 to Sargeant, have been found in Department of State files. (611.618-2951)

The files also include a much shorter "Draft Outline of Letter From President to Shvernik," dated October 19, bearing Assistant Secretary Barrett's handwritten notation: "Mr. Bohlen For our 5 p m session. Ed Barrett". (611.61/10-1951)

[6] Document 798.

[7] See Document 802.

[8] For text of the McMahon-Ribicoff Resolution, see Document 786.

ue to advocate this proposal if your people really had an opportunity to find out something about its history and meaning.

This is neither a new nor a helpful proposal. It came before the General Assembly of the United Nations in 1949 and 1950 and was turned down by a great majority of nations, including the United States, each time. I think the Soviet people should know the reasons why this great majority of nations thus rejected a "five-power peace pact." They rejected it because they think it will weaken rather than strengthen the cause of peace.

This great majority continues to believe that the United Nations system provides the best guarantee of world peace. The United Nations Charter obligates each of its 60 member-states to observe two main rules of conduct: (1) to refrain from the threat or use of force, and (2) to settle international disputes by peaceful means. These rules were designed to safeguard every nation from aggression, and to enable the world's peoples to live together without fear of their neighbors in the same way that people within democratic countries now live.

Yet the world's peoples know that promises of good behavior, if not backed by a system of organized collective security, are not enough. Too often such promises, in the form of peace pacts, have been used to mask plans for aggression. The Soviet peoples will remember how M. Litvinov fought in the League of Nations for such a system of organized collective security which could have prevented the Nazi aggressors from inflicting war upon the Soviet Union. When this failed, the Soviet Union signed a peace pact with the Nazis. The Soviet peoples will not need to be reminded of the consequences of that pact.

It was as a result of such experiences that the peoples of the world supported the creation of a United Nations organization in which the main rules of international conduct could be enforced through a system of organized collective security.

Prevention of aggression was not, however, the sole purpose of the United Nations. We pledged ourselves also to make positive contributions to world peace and human well-being through collective action to improve the living standards and social conditions of all peoples. For us, the United Nations was more than a traditional peace pact; it was truly a Charter for a better world.

The American people share the deep disappointment of peoples everywhere that our hopes for a better world through the United Nations have not yet been realized. They have not been realized because the Soviet Government has not lived up to its obligations within the United Nations. The Soviet Government has placed a premium on force rather than peaceful settlement. It has used its great power against peace rather than for peace—in Iran, Greece,

Czechoslovakia, Korea, and elsewhere. The Soviet Government has obstructed the work of the United Nations in other important ways—by vetoing the admission of eleven states to the United Nations, by refusing to join in a collective security system, and by rejecting effective proposals for the control and regulation of armaments and for international control of atomic energy. The Soviet Government has taken no part in the United Nations' efforts to improve the living standards and social conditions of the worlds' peoples.

You have never said what would be in your proposed peace pact but it is natural to suppose that it would include an agreement by the five powers not to attack each other. Now what stronger pledge could there be than the promises in the United Nations Charter, by which both our nations already are bound, against the use of force or the threat of force?

We are living up to these UN obligations. If the Soviet Government is now prepared to do likewise, the proposed new pact is unnecessary. If the Soviet Government is not prepared to do so, neither the proposed pact nor any other will bring about the relaxation of international tensions which is sought.

If the Soviet Government now wants to cooperate with other nations for world peace, it can prove its desire by deeds. It can stop flouting the authority of the United Nations, it can cease supporting armed aggression in defiance of the verdict of the United Nations, it can make constructive contributions toward establishing conditions of peace with Germany, Austria and Japan, it can refrain from employing force to maintain in other countries regimes which do not command the support of their people, it can cease supporting subversive movements in other countries, it can cease its distortion of the motives and actions of other peoples and governments, it can stop violating fundamental human rights and liberties, and it can join in good faith in the earnest effort to find means for reducing armaments and controlling atomic energy in the interests of peace.

To many peoples, including the American people, peace means more than an absence of war. It also means striving to remove the causes of misunderstanding and to reduce the tensions which produce conflict. This can be done only if all the peoples have full and free access to the facts about other peoples and nations.

When the Soviet Government made known to the Soviet peoples the content of the resolution of peace and friendship adopted by the American Congress, we here believed the move was a gesture in the right direction.

Likewise, we were encouraged by your statement that the Soviet Government "hospitably receives communications of peace from

any country and by every means contributes to the intercourse of the Soviet peoples with the peoples of other countries, placing no barriers in the path."

That statement leads me to believe that you will publicize this letter. I am sure that the peoples of the Soviet Union will have a lively interest in the American response to your letter.

Your statement also leads me to believe that if the Soviet government is genuinely interested in promoting better understanding among all peoples, you will welcome the suggestion I now make. In the past from time to time I have had something to say about the views of the American people on the crucial issues of our time. I shall undoubtedly have an occasion in coming months to make a similar talk, which will be broadcast over the world-wide network of the Voice of America.

This talk will be translated simultaneously into the languages of other peoples, as is the practice in the United Nations. I feel sure that the great peoples of the Soviet Union, who must rely primarily upon government-controlled sources of information, will want the opportunity to consider such a statement of the American point of view. For this reason, I will welcome your assurance that you will make arrangements for simultaneous transmission of my next talk over the internal broadcasting systems of the Soviet Union.

I await your answer with keen anticipation.

In closing, let me once more assure you of my respect for the great peoples of your country.

---

## No. 807

*Editorial Note*

Secretary of State Acheson, British Foreign Secretary Morrison, and French Foreign Minister Schuman, and their advisers held a series of bilateral and trilateral meetings on a wide range of international problems in Washington, September 10–14. During the first trilateral meeting on September 12, the three Foreign Ministers discussed progress in the policy of containment of the Soviet Union and its satellites and agreed that there should be a combined study of the Far East and the Middle East where there was a gap in the means available to the Western powers to formulate policies for the effective containment of the Soviet Union. Morrison stressed the importance of taking no action toward the Soviet Union which might inadvertently precipitate a third world war. Schuman agreed with Morrison and suggested that the Soviet Union must not be made to think that it was being encircled and

the Western powers should not attempt a policy which would result in the disruption of their economies. Acheson agreed with the other Foreign Ministers and urged the proposed study of the Far and Middle East be aimed at seeking ways to prevent the Western powers from being identified with the opponents of nationalism and to place in constructive channels the forces in the Middle East which were ripe for extreme nationalist and communist agitation. For the record of the meeting referred to here (U.S.-Tri. Min-1, September 12, 1951), see volume III, Part 1, page 1257.

The North Atlantic Council held its Seventh Session in Ottawa, September 15–20. The First Meeting, September 15, was largely devoted to a review of the world situation. Foreign Secretary Morrison noted that there were grounds for satisfaction that the policy of containing the Soviet Union was proving effective. He urged the necessity of political leadership in the West and indicated the utility of effective propaganda against the Soviet Union. Secretary of State Acheson presented a résumé of the Soviet power system, indicated that the Western economic policy in Europe had been most successful and that military efforts were proceeding well. He noted that the Far East and the Middle East were areas vulnerable to Soviet power. (Telegram Secto 6 from Ottawa, September 16) At its last meeting on September 20, the North Atlantic Council adopted a resolution requesting the Military Committee to include in its report to the next session of the Council an estimate of the relative strength and capabilities of NATO and Soviet bloc forces currently and in the immediate future. (Telegram Secto 28 from Ottawa, September 20) For documentation on the Seventh Session of the North Atlantic Council, including the messages referred to here, see volume III, Part 1, pages 616 ff.

---

## No. 808

611.61/9-2151: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State*

TOP SECRET PRIORITY Moscow, September 21, 1951—4 p.m.

491. Eyes only for the Secretary. If it is not already being done I believe that we might give serious consideration to whether it wld be appropriate and advisable for me to ask to call on Stalin before I leave 6 October. [1]

---

[1] During the summer of 1951 it was apparently decided that Ambassador Kirk would serve as an adviser to the U.S. Delegation to the Sixth Session of the U.N.

*Continued*

It is difficult for me to assess fully from here how opportune such a move might be in its effect upon public opinion in the US and elsewhere, or whether it could in fact be turned to our advantage (propaganda or otherwise) whatever its reception by the Soviets. I feel, however, that it is worth study especially as it must be generally known in top Soviet Government circles that I will not return to Moscow even though circumstances my departure are in a formal sense not exactly equivalent to public announcement of termination of my mission here.

With approval of London British Ambassador Kelly, who leaves tomorrow, asked to say goodby to Stalin, but Vishinsky said it was quite impracticable as Stalin was so far away from Moscow. (I am only colleague who knows of Kelly's request which should be treated very confidentially). Perhaps similar request by US Ambassador (regardless of personality) might intrigue Soviets into acquiescence.

As to topics conversation my thinking would be to make two points: (1) Assurance in calm serious vein that we are not preparing to fight Soviets, elaborating as may seem proper but not apologetic; (2) express hope Mr. Stalin is being fully informed by his sources of hardening of temper of Western world (and US in particular) in face of continued Soviet aggressive and intransigent attitude towards everybody and everything outside Soviet orbit. (Exact phrasing and development above points should be carefully studied).

Of course other topics as you may decide could be mentioned. [2]

KIRK

---

General Assembly in Paris scheduled for November. Kirk subsequently accepted a speaking engagement in the United States for October. Telegram 352 from Moscow, August 29, transmitted the text of a press release issued by the Embassy the previous day:

"Ambassador Alan G. Kirk has accepted an invitation to be the principal speaker and representative of the Department of State at the Alfred E. Smith Memorial Dinner to be held at the Waldorf Astoria in New York October 18, 1951. Ambassador Kirk will take leave of absence from his duties in Moscow for this purpose, departing in early October. Minister Counselor Hugh S. Cumming will be Chargé d'Affaires a. i. during the Ambassador's absence." (123-Kirk, Alan G.)

[2] In telegram 536 from Moscow, September 28, Kirk stated it was his intention to see Vyshinsky during the latter part of the coming week to take formal leave of him. Kirk planned to confine his conversation to a discussion of local Embassy problems unless the Department of State wished other topics to be mentioned. (123-Kirk, Alan G.)

## No. 809

611.61/9-2151: Telegram

*The Acting Secretary of State to the Embassy in the Soviet Union* [1]

TOP SECRET WASHINGTON, September 28, 1951—9 p.m.

224. For ur info only since not yet cleared by Def or fully by Dept.

We agree you might take occasion before departure Moscow Oct 6 make oral request Vyshinsky call on Stalin (Embtel 491 Sept 21 [2]). However you shld not request appt for this purpose until receipt Depts further instrs. In requesting see Stalin you shld explain you are leaving Oct 6 and expect attend UN GA sessions Paris; that it is possible you may not return Sov Union, though no final decision has been reached re successor and that pending final decision you remain as Amb and may possibly return Moscow for brief period; that it is over two years since you last saw Premier Stalin and you wld much appreciate opportunity see him again before you leave in Oct. If Vyshinsky inquires whether you have particular subject discuss with Stalin, in your discretion you may reply you have been authorized discuss certain matters with him.

If Vyshinsky immed dismisses possibility interview with Stalin same grounds as refusal Brit Amb, you shld express your disappointment and say that in this contingency you authorized discuss with Vyshinsky matters in question and request this be brought personal attn PriMin.

If by chance you are accorded interview with Stalin, this fact will certainly become known or probably published by Sov press as customary in past. As we do not wish make public matter discussed, in response newspaper inquiries we wld desire link your visit exclusively your imminent departure USSR for lengthy period GA. If matter is discussed with Vyshinsky alone, there shld be no need any public statement.

Instrs on matter be discussed with Stalin or Vyshinsky follow in separate tel. [3] We shall want inform Brit and Fr Govts in confidence nature your approach. When Moscow receives final instrs make approach, London and Paris shld inform Morrison and Schu-

---

[1] Drafted by Davis (EUR/EE) and cleared by Bohlen (C), Bonbright (EUR), and Nitze (S/P). Repeated to London, Paris, and Tokyo for USPolAd.

[2] *Supra.*

[3] The basis for a possible approach to Stalin or Vyshinsky on some specific issues regarding the Korean armistice talks was set forth in telegram 225 to Moscow, September 28. That telegram had not been fully cleared within the Department of State or with the Department of Defense and was not regarded as an instruction. (611.61/9-2851)

man our instrs to you. You may inform your Brit and Fr colleagues very gen terms results approach, leaving full details to be communicated personally by London and Paris to Morrison and Schuman.

WEBB

---

## No. 810

*Editorial Note*

The basis of a possible approach to Stalin or Vyshinsky by Ambassador Kirk on some urgent specific issues regarding a Korean armistice was set forth in telegrams 224 and 225 to Moscow, September 28; see *supra*). On September 30, Counselor of the Department of State Bohlen, then in Tokyo on a special mission with Chairman of the Joint Chiefs of Staff General Omar N. Bradley, conferred with Bradley and General Matthew Ridgway (the United Nations Commander in Korea) on the timing of Kirk's projected conversations. In telegram 658 from Tokyo, September 30, Bohlen reported on the conference as follows:

"Unanimously agreed that such conversation wld be very desirable but shld be handled in such way as not to create impression we were eager because of weakness for armistice. It was felt therefore that while conversation in Moscow wld be very desirable it might be unwise for above reasons for Kirk to go to Black Sea area in order to have interview." (611.61/9-3051)

In telegram 232 to Moscow, October 1, the Department of State concurred in the Bohlen-Bradley-Ridgway view of the undesirability of Kirk's travel to the Black Sea to visit Stalin and directed Kirk not to request to see Stalin and confine any possible approach to Vyshinsky. The Department suggested that Kirk take up local Embassy problems separately with Gromyko or Zorin. (611.61/10-151) In his telegram 562 from Moscow, October 2, Kirk agreed with the Bohlen-Bradley-Ridgway views but suggested that an impression of weakness could be avoided and greater weight conferred upon any remarks he might make to Vyshinsky if at least a *pro forma* request to Stalin were made. (611.61/10-251) In telegram 239 to Moscow, October 2, the Department of State promptly rejected Kirk's suggestion:

"We do not desire give greater weight to contemplated approach, if finally approved, than by your oral comments to FonMin and, therefore, prefer that you not request to see Stalin. We believe purpose your comments will be adequately served if during substantive conversation with Vyshinsky you specifically request your views be transmitted to PriMin." (611.61/10-2151)

Telegram 249 to Moscow, October 3, transmitted formal detailed instructions to Kirk, cleared within the Department of State and by the Department of Defense and approved by President Truman, regarding the Ambassador's projected discussion with Vyshinsky on the Korean armistice negotiations. (611.61/10-351) Supplementary instructions were sent to Kirk in telegrams 250 and 253 to Moscow October 4. (611.61/10-451) For Kirk's report on his conversation with Vyshinsky on October 5, see telegram 586 from Moscow, Document 812.

For full documentation on the formulation of Kirk's instructions regarding his conversation with Vyshinsky, see volume VII, Part 1, pages 970 ff.

## No. 811

123-Kirk, Alan G. Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

SECRET PRIORITY Moscow, October 4, 1951—7 p. m.

582. Called for 15 min on Gromyko at 6 p.m. today telling him of my future plans and introducing formally Cumming as Minister-Counselor who would be in charge during my absence. [2] Gromyko in reasonably genial mood wished bon voyage, etc. To my suggestion we might be meeting soon in Paris he sidestepped by replying this was not yet decided.

Then took up question of American internees in North Korea (Deptel 222; September 28 [3]) and asked for good offices, leaving him *aide-mémoire*. Gromyko took same line as Vishinsky (Embtel 397, Sept 6 [4]), asking why we did not deal directly with NK authorities. My answer was that since we did not have diplomatic relations with that regime we followed established procedures in such case and asked other friendly govts to represent our case. Gromyko left matter in air saying it would be considered.

Next I recalled govt interest in and concern for Sov wives of American citizens who could not leave USSR. Gromyko evinced some interest at first and I listed names US husbands involved.

[1] Repeated to London and Paris.

[2] Regarding Kirk's plans for leaving Moscow, see footnote 1, Document 808. Kirk left Moscow on October 5.

[3] Not printed.

[4] For text, see vol. VII, Part 2, p. 1798.

commencing with R. Tucker. [5] Gromyko then took stubborn line that this was not new, that Sov position well known and that he saw little possibility any change therein. My response was that we wished this matter to be kept alive, that US Govt did not accept Sov ruling. (This was discouraging outcome altho as names were taken down by his interpreter it may not be completely closed).

Regarding Congressman Mack's desire fly to Moscow spend month (Embtel 469, Sept 18) [6] Gromyko said he was unfamiliar this case but that it would be looked into.

On driving licenses we exchanged some comment on type of examinations here and elsewhere, Gromyko defending their technical requirements. I recalled our conversation this matter June 1950 and that my Emb frequently asked give visas Sov chauffeur for their Wash Emb. Believe approach will have some effect but we will know later when Gleysteen takes next re-exam. [7]

Last topic was matter posts or stations taken by militiamen on guard outside Mokhovaya [8] who have gradually inched inward

---

[5] Robert C. Tucker was appointed a Vice Consul in the Foreign Service in February 1944 and was assigned to Moscow. He resigned in October 1946 because of marriage to a Soviet national. He remained in Moscow after an unsuccessful effort to obtain an exit permit from Soviet authorities for his wife. Because of the personal interest of President and Mrs Truman, Tucker was reappointed to the Foreign Service in January 1948 in Moscow. As of 1951 Tucker and his wife continued to reside in Moscow. According to a memorandum of a telephone conversation between Ambassador Kirk and Davis (EE), January 17, on January 16 Mrs. Truman personally telephoned Kirk in New York to inquire about the status of Robert Tucker and his Soviet wife. Davis' memorandum continued as follows:

"Ambassador Kirk told Mrs. Truman that the Soviet Government had not changed its attitude toward the departure of Soviet wives of foreigners from the USSR: that Mr. Tucker was well and in good health and doing excellent work; that while Mr. Tucker could undoubtedly leave the Soviet Union at any time, as could all other Americans working for the Embassy in Moscow, it was extremely doubtful that the Soviet Government would permit his wife to leave even in an emergency." (123-Tucker, Robert C.)

Mrs. Robert (Evgeniya) Tucker was one of 350 Soviet wives and 65 Soviet husbands of American citizens who were unable (as of 1951) to leave the USSR because of the refusal of the Soviet Government to grant them exit permits. The general question was reviewed in document RPTS D-1/8a, January 29, "Release of Soviet Spouses of American Citizens", one of a series of briefing papers prepared in the Department of State in anticipation of a possible session of the Council of Foreign Ministers. The series of documents is in CFM files, lot M-88. See also Secretary Acheson's memorandum to the President, *Foreign Relations*, 1950, vol. IV, p. 1102. The question is documented in greater detail in *ibid.*, 1947, vol. IV, pp. 718–743.

[6] Representative Peter F. Mack, traveling as a private citizen, undertook a goodwill solo flight around the world during the last months of 1951 in his own aircraft. Mack's proposed itinerary included a stopover of several days in Moscow. On instructions of the Department of State, the Embassy in Moscow sought, without success, to obtain permission for Mack to enter the Soviet Union. Documentation on this subject is in file 033.1100.

[7] Regarding the Soviet denial of driver's permits to Embassy personnel in Moscow, see Simmon's letter to D.C. Commissioner Young, Document 789.

[8] The Mokhovaya Building in Moscow housed the U.S. Embassy and Consulate and also contained the residence quarters of most of the staff.

until now practically in archway. I sketched position and requested that militiamen be properly instructed which Gromyko said he would have looked into.

Asked about his US trip [9] he said it was good but long; that he had enjoyed his train ride across the country. He made no comment or remarks on public or press attitudes or otherwise.

We parted with good-bye messages to families with correct courtesy, Gromyko being somewhat genial.

KIRK

[9] Presumably the reference here is to Gromyko's trip to the United States in connection with the conference for the conclusion and signature of the Treaty of Peace with Japan, held in San Francisco, September 4–8.

## No. 812

611.61/10-551: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

TOP SECRET NIACT Moscow, October 5, 1951—6 p. m.

586. Ref Embtel 577, October 4, repeated London 78, Paris 156, Tokyo 5. [2] I saw Vyshinsky today from 2 to 2:45. After preliminary remarks concerning my departure and travel plans I referred to my visit with Vyshinsky September 6 concerning Amer nationals in Chi (ref Deptel 227, September 28 [3]) and expressed hope Sov Govt could soon notify US that request had been received favorably. Vyshinsky replied that unfortunately (he repeated the word) he not now able to give reply. I then made oral statement in accordance Deptel 249, October 3 adding suggested comment Deptel 253, October 4, [4] in view line of discussion and Vyshinsky reaction.

Vyshinsky said that "note" would require careful study which would take time. I repeated that communication was not "note" but a verbal statement for Mr. Stalin's attention (he then asked for copy of statement and said that if I wanted immediate reply he could provide it).

I reiterated that I was instructed by my govt to ask that my remarks be brought to attention Stalin. Vyshinsky more than once endeavored obtain a written copy of my remarks, at first indicating

[1] Repeated niact to London and Paris.

[2] Telegram 577 reported that Kirk had an appointment to see Vyshinsky on October 5. (611.61/10-451)

[3] Not printed.

[4] Regarding these telegrams, see Document 810.

he could not accept responsibility for transmittal of statement to which US Govt attached great importance on the basis of his own notes. Finally toward end of conversation Vyshinsky assured me he would transmit content my remarks to Stalin. Verbal fencing regarding question of written copy of remarks occupied considerable portion of conversation.

Vyshinsky agreed undesirable enter discussion past events but said it necessary for him to "re-establish the truth" with regard to certain remarks in my statement not factually correct. For example remark concerning North Korea invasion—Sov Govt has shown that invasion was from South Korea, by South Koreans and interventionists. Further if Korean talks are at impasse responsibility rests with Amer side, with Ridgway. He said he could not understand why Amer command is protracting negots.

He continued that he could not understand why Kaesong not a suitable place for negots nor why US Govt addresses itself to Sov Govt but not North Korean Govt. Also how could question of armistice line be a political question since it is a question of negots for mil armistice. Proof of Sov Govt interest in matter is that it was initiator of proposal for armistice negots. There could be no doubt that Sov Govt would like to see negots completed satisfactorily. Sov Govt reciprocates in wish expressed by Amer Amb re US Govt desire for ceasefire. He noted that US has no aggressive intent against USSR and was pleased hear this statement, but many facts speak to contrary. If facts were same as words then all would be well.

I reiterated the sincerity of our statement to which Vyshinsky replied rather mockingly "all our statements are sincere". I stated that uncompromising attitude Sov Govt around world has not contributed to settlement our mutual problems. When Vyshinsky in usual fashion asked for example of Sov Govt's uncompromising attitude I replied that I not prepared cite chapter and verse, that history of Soviet Government's attitude in UN and elsewhere not such as to lead to reasonable solution world problems. He continued maintain he did not understand and referred to US–USSR commercial treaty and fact that it was not Sov Govt that had broken it. [5] He continued that it is well known that "trade affairs" are best basis for good relations. I cited as example uncompromising attitude negots in Paris last spring. When Vyshinsky asked who was responsible for ending negots I replied flatly that the USSR was. He said he felt two parties responsible, the US and UK (when interpreter reversed order Vyshinsky smilingly insisted on giving US

[5] The reference here is to the abrogation of the U.S.-U.S.S.R. commercial agreement of August 4, 1937; see Document 634.

priority). Vyshinsky referred to my remark re possibility breakdown armistice talks "might stimulate course events undesirable from point of viēw both our govts" as "possibly causing repercussions in relations our two govts" and continued, "How should we understand this—as a threat?" I replied quickly and emphatically, "certainly not" but should be understood rather as statement of fact. I said I was sure he well enough versed in history to know that limited wars have often spread. He said he understood that remarks should not be construed as threat and as regards spread of limited war, that depended on persons concerned.

I referred to an earlier remark and asked if it is correct that the USSR and USA agreed that Korean war should not get out hand. He replied affirmatively and repeated that USSR had proposed armistice talks; it was not a US proposal. I replied that US had accepted proposal to which he said "Good, you must now go forward".

I said that we felt a point has been reached where if Soviet influence were put behind matter the Korean negots could be successfully concluded. He replied that we should come to an agreement with North Koreans, stating that Soviet Union is not a participant in negots. I called his attention to fact that USSR had diplomatic representation in North Korea and at Peking. His only response was that USSR has many connections, for example with US and that it cannot of course influence US Govt policy.

I concluded by repeating two points. First that Stalin should be particularly informed of my statement, which was specifically authorized by US Govt, that US intentions are not aggressive towards USSR. Second, that US Govt feels that if Sov Govt would assist with its good offices and good will Korean problem could be settled. He mentioned that USSR has always felt "good will" toward settlement Korean problem as soon as possible as was proved by Sov initiation proposal armistice negots. Finally I asked him to inform Stalin of my regret that I did not have opportunity to say farewell to him and expressed appreciation for everything done for me in this country. [6]

Vyshinsky seemed be impressed with importance my statement and took copious notes. I think we can rest assured that content my remarks will receive attention of highest Soviet authorities.

I twice endeavored draw him out on his possible attendance Paris UN without much success.

---

[6] The text of Ambassador Kirk's statement to Vyshinsky was subsequently issued to the press by the Department of State on October 17; see Department of State *Bulletin*, October 29, 1951, p. 687. For Vyshinsky's response to Kirk's statement, see telegram 634, Document 814.

Although very businesslike re my statement, conversation was held in atmosphere of relative congeniality.

KIRK

---

## No. 813

611.61/10-551

*Memorandum of Conversation, by the Assistant Secretary of State for Public Affairs (Sargeant)* [1]

CONFIDENTIAL [WASHINGTON,] October 5, 1951.

HIGHLIGHTS OF DISCUSSION WITH SENATOR BRIEN MCMAHON, CONGRESSMAN ABE RIBICOFF AND ADMINISTRATIVE ASSISTANT EDDIE RODDAN AT LUNCH ON OCTOBER THREE, 1951

Participants: Senator McMahon
Congressman Ribicoff
Mr. Roddan
Mr. Lloyd, White House
Mr. Barrett
Mr. Bonbright
Mr. Reinhardt
Mr. Sargeant

The main purpose was to obtain ideas of Messrs. McMahon and Ribicoff as sponsors of the Congressional Resolution of Friendship with other peoples of the world, including the Russian peoples, [2] as to what the President should do in respect of further reply to Shvernik. Mr. Barrett summarized present thinking in Department and indicated feeling of Chip Bohlen and others that the President should be held in reserve and used sparingly except where there was a proposal of such importance in a substantive way that he was the logical person to make the proposal. Mr. Barrett said that although we had tried our hands at a number of drafts of such a communication from the President to Shvernik, [3] to which he was committed both in his letter of transmittal of the original resolution from the Soviet Presidium to the Congress and in his several

---

[1] Sargeant circulated copies of this memorandum to Barrett (P), Stephens (P), Bonbright (EUR), Reinhardt (EE), Davis (EE), Kirkpatrick (EUR/P), Bohlen (C), McFall (H), Nolting (G), and Fierst (UNA).

[2] For text, see Document 786.

[3] For one draft of the proposed message from President Truman to Shvernik, see the enclosure to Sargeant's memorandum to Matthews, Document 806.

statements at his press conferences, [4] none of these drafts had in fact incorporated substantive proposals of the importance we were talking about.

In the course of the discussion Senator McMahon asked for Mr. Reinhardt's views on the probable course of Soviet policy over the next five years. Mr. Reinhardt replied with a carefully reasoned and thoughtful analysis. It was evident that Senator McMahon regarded the question we had posed on the Shvernik reply as a difficult one requiring a nice judgment. Eddie Roddan expressed a vigorous belief that the President might well attempt to use the exchange to make a much harder-hitting and denunciatory statement which we could force the Soviet Union to make known to the Russian peoples. He took as his illustration the open admission by Soviet organs of the current re-writing and falsification of history, with consequent attacks on the United States.

A good deal of attention centered on the upcoming session of the General Assembly. [5] Mr. Barrett indicated that he was not authorized to disclose certain major proposals on which work was being done in preparation for the General Assembly. Mr. Barrett indicated it was by no means certain that such proposals would in fact be agreed to, not only within our Government but by those of our allies whose support and understanding would be necessary. The people at the table clearly indicated that they suspected such proposals would lie within the field either of collective security or of disarmament, with Senator McMahon pointedly saying that it was undoubtedly in the latter field.

The conclusion of the meeting resulted in Senator McMahon replying in response to a direct question from Mr. Barrett that his best judgment was we should proceed as follows:

1. The President should in fact make a reply to Shvernik and the main theme of the reply should be *peace*--the President's own personal willingness to dedicate his life to the preservation and safeguarding of peace in the world and his desire to settle outstanding differences on a basis of decent and honorable solutions.
2. The President should outline in very simple and specific terms the steps he feels should be taken to reach peaceful solutions.
3. The President should go personally to Paris in the course of the General Assembly and make this as a dramatic and major presentation.
4. The reply to Shvernik should not be couched in denunciatory language but should maintain a reasonably lofty and conciliatory

---

[4] For text of President Truman's communication of July 7 to Shvernik, see Document 788. Regarding the several press statements by the President, see Document 802.

[5] The reference is to the Sixth Session of the U.N. General Assembly, scheduled to open in Paris on November 6.

tone. However, the Senator views the Shvernik opening as a vehicle for providing a continuing exchange of views and sees no difficulty in having the President himself exploit these opportunities. He does not himself feel that there is much merit to the argument that the President would be wearing out his usefulness, or lessening his psychological value by engaging in a series of exchanges for which the opportunity is now provided.

Congressman Ribicoff said that he was in general agreement with what Senator McMahon proposed although he felt strongly that we should now shift ground and the next letter by President Truman should be directed to Stalin himself.

Other suggestions that were made in the course of the general discussion included one by Dave Lloyd, seconded by Senator McMahon, that the President's proposal made last October in which he recommended that the two separate UN bodies dealing respectively with conventional armaments and unconventional weapons including the atomic weapon should be consolidated into a single body. Dave Lloyd and Messrs. McMahon and Ribicoff agreed that this might provide a useful peg for a Presidential statement at the General Assembly but both members of the Congress questioned whether any people in the United States or elsewhere really understood what this proposal meant or knew about it and they insisted that it had not been dramatized in such a way as to afford us up to now any real leverage.

As further background, Senator McMahon pointed out that he believed the Conservative Party would win the upcoming October 25 British elections and that he was convinced from personal talks with Mr. Churchill that Winston Churchill would try to seize the opportunities foreshadowed in earlier Churchill statements indicating his desire for a real showdown in face-to-face talks among the leaders of the Big Four and that it might be essential for President Truman to seize the opportunity we now had in the Shvernik exchange and the upcoming General Assembly so that we don't become a mere appendage to the tail of the British kite. Mr. Barrett also indicated that a possible use of the Shvernik exchange at an appropriate time might be in connection with the Korean situation and the cease-fire talks.

## No. 814

611.61/10-1551: Telegram

*The Chargé in the Soviet Union (Cumming) to the Secretary of State* [1]

TOP SECRET PRIORITY Moscow, October 15, 1951—5 p.m.

634. I was received by Vyshinsky at his request at 3 p.m. today for conversation lasting 45 minutes.

Vyshinsky read eight page statement in reply oral statement Ambassador Kirk October 5 [2] and gave me copy at end interview.

Statement began with review of points made by Ambassador Kirk as understood by Vyshinsky and proceeded to comment on two main questions posed by Kirk (1) position in Korea and (2) Soviet American relations.

Re Korean situation: US interest to end its war in Korea against Korean people understandable, USSR interest in end war shown by its efforts in that direction; US responsible for delays in armistice talks; best way assure successful conclusion talks is instruct Ridgway not complicate matters with incidents or artificial difficulties such as relocation talks site; discussion armistice line military matter and must be included armistice talks; Soviet Union not participant negotiations but "all real efforts" toward successful conclusion negotiations "will meet in the present time as in the past with full and energetic support on the part of the Soviet Union".

Re Soviet American relations: Re US emphasis on importance settlement Korean matter it goes without saying "in interest improvement international situation urgently necessary work out peaceful settlement Korean question", USSR has made many attempts discuss with USA many unresolved international problems of primary importance; on Soviet initiative Paris 1951 conference was convoked but USA, UK and France refused discuss important questions proposed by USSR; [3] if USA actually stands for improvement USSR-USA relations it has had many opportunities to confirm this with acts but it has not done so, Kirk's statement re nonaggressive aim US re USSR et cetera not first time such statement made including Truman message to Shvernik [4] but facts speak otherwise, witness abrogation commercial treaty, that military measures of US are defensive in nature contradicted by fact of war

[1] Repeated to London and Paris.

[2] See telegram 586 from Moscow, Document 812.

[3] The reference is to the Four-Power Exploratory Talks, Paris, March 5–June 21, regarding possible convening of a session of the Council of Foreign Ministers; for documentation on the talks, see vol. III, Part 1, pp. 1086 ff.

[4] See Document 788.

against Korean people and creation aggressive Atlantic bloc directed against USSR et cetera; Soviet Government ask what sort of "undesirable consequences" or "unpleasantness" US Government has in mind in case Kaesong negotiations unsuccessful, if it is question of worsening Soviet American relations how can they be worse than after President Truman stated to entire world that agreements with Soviet Union are not worth paper on which they written.

Statement concluded "in such circumstances can the statement of the wish to improve Soviet American relations be taken seriously? Would not it be truer to suppose that US Government actually is not striving for improvement of Soviet American relations and cooperation with Soviet Union but is interested only in conversations re cooperation and agreement. Nonetheless the Soviet Government following its peaceful policy and unceasingly striving for the establishment of cooperation with all countries prepared to cooperate with Soviet Union agrees to examine with the participation of US Government all important and unsettled questions and to discuss measures for improvement international relations including relations between USSR and USA."

In answer to direct question Vyshinsky stated Kirk message brought to attention of Stalin.

Full translation follows. [5]

CUMMING

---

[5] The translated text of Vyshinsky's statement was transmitted in telegram 639 from Moscow, October 15; for text, see vol. VII, Part 1, p. 1042. Vyshinsky's statement was subsequently released to the press by the Department of State on October 17; see Department of State *Bulletin*, October 29, 1951, pp. 688-691. Regarding the release of the Kirk-Vyshinsky statements to the press, see footnote 1, vol. VII, Part 1, p. 1048.

## No. 815

Secretary's Memoranda, lot 53D444

*Memorandum of Telephone Conversation, by the Secretary of State's Personal Assistant (Evans)* [1]

[WASHINGTON,] October 16, 1951.

Participants: Secretary Acheson
Ambassador Kirk

Secretary Acheson telephoned Ambassador Kirk this afternoon and received from the Ambassador a report on his talk with Mr. Gordon Gray. The Ambassador said that he, the Ambassador, had been interested and responsive but had made no commitments. He reported that Mr. Gray had said he felt he must leave by January 1 and that a month was the minimum. [2]

The Secretary said that in his talk with Mr. Kennan he had found that the latter was anxious to do what the Secretary requested if he could work it out. [3] He did not think he could leave the Institute before March. He could go over and present his credentials and come back shortly afterwards to pick up his family. But he would like a week or ten days to think the matter through. [4]

The Secretary said he thought, in view of the delay if Mr. Kennan accepted, that Ambassador Kirk should continue as Am-

---

[1] Attached to the source text is the following note from Evans to Special Assistant Battle:

"I did not understand the first part of the conversation (where Kirk was reporting), and the first paragraph is unclear. If you can deduce what may be wrong with it, please change.

"Should this get any distribution?"

Additional notes attached to the source text indicate that this memorandum was seen by Under Secretary Webb, Humelsine (A), McWilliams (S/S), and Barnes (S/S).

[2] No further information has been found in Department of State files to clarify this paragraph. The reference may be to Gray's projected departure from his post as Chairman of the Psychological Strategy Board.

[3] Secretary Acheson made the following record of one of the items he discussed with President Truman at their meeting on October 6:

"Item 6. *Ambassador to Moscow*

"I told the President that, in accordance with his authorization to me some time ago, I had been discussing this matter with Mr. Kennan. I recalled to the President that he had at one time mentioned Admiral Connolly to me, but had authorized me to go ahead with Mr. Kennan. I asked whether there had been any change in his wishes in this regard. He said not at all, and that I was to proceed with Mr. Kennan." (Secretary's Memoranda of Conversation, lot 65D238)

[4] For Kennan's own recollections of his exchanges with Secretary Acheson in the autumn of 1951 regarding the ambassadorship to the Soviet Union, see Kennan, *Memoirs*, vol. II, pp. 105–106.

bassador and he thought the present arrangement, by which Ambassador Kirk stayed in Paris and could, if anything important came up, be back in Moscow within two days, was a good arrangement. The Secretary said, therefore, if he were to decide the matter today, he would strongly urge that Ambassador Kirk not do the other job, but should go to Paris. If within a week or ten days Mr. Kennan decides he will not accept the position, then the Secretary's view about Mr. Kirk's own position might change. The Secretary said that the other proposition which had been put up to Mr. Kirk would not be the last opportunity which would turn up where the Ambassador could be of great service to the country, and the Secretary was under the impression that Mr. Kirk was not keen about it in any event. Ambassador Kirk said that was true.

Ambassador Kirk and the Secretary left the matter that they would keep in touch and that Ambassador Kirk would inform Miss Evans where he could be reached at all times. The Secretary promised that he would talk with Ambassador Kirk personally or over the telephone before he and the Ambassador left the country. [5]

B[ARBARA] EVANS

[5] No record has been found of any further exchanges between Acheson and Kirk prior to the Secretary's departure for Europe on October 25 as head of the U.S. Delegation to the Sixth Session of the U.N. General Assembly.

## No. 816

611.61/10–2351: Telegram

*The Chargé in the Soviet Union (Cumming) to the Secretary of State*

RESTRICTED Moscow, October 23, 1951—5 p.m.

688. Emb has noted what appears be increasing tendency on part of Amer Govt officials and official spokesmen to refer to govt leaders of USSR as "Russian."

Apart from fact that head man and some his chief assistants obviously not Russian, it seems to Emb most undesirable that there be any doubt as to group which US Govt considers responsible for state of affairs existing in Soviet Union and consequently throughout world.

It is not believed that it is intent our govt convey impression that Amer Govt and people are in conflict with and desirous suppressing Russian people, or any other national group. Soviet Govt is handling work of and entirely controlled by small group of men. Its basis is not Russianism. Russian people, in general, suffer from its existence as do other peoples within boundaries of USSR. Finally,

Russian people comprise clear majority of population of USSR as a whole. It obviously not in our interest to alienate such a group.

CUMMING

---

## No. 817

611.61/10-2651

*Memorandum of Conversation, by the Ambassador to the Soviet Union (Kirk)* [1]

TOP SECRET [WASHINGTON,] October 26, 1951.

Subject: Visit with the President from 12:05 to 12:45

Participants: President Harry S. Truman
Ambassador Alan G. Kirk

The President received me by appointment at 12:05 today, and after the usual informal conversation as to health, et cetera, took up the following topics:

1. The President outlined reports received from General Bedell Smith concerning the withdrawal of Russian jet fighter airplanes from the various fighter fields in East Germany and East Austria, and asked for comment as to what this might indicate. My reply was that not having heard of this withdrawal before then, it was difficult to give an off-hand opinion. It did not seem, however, that this withdrawal indicated imminent offensive action on their part. Whether the planes would be shifted to another front, such as Korea, it was difficult to say. The President wondered if this might indicate some move into Persia, and I suggested that such a movement by the Soviet Union would very likely precipitate World War III, to which the President assented.

2. The President then asked what the situation was inside the Soviet Union vis-à-vis the United States. My answer was that the effect of propaganda machinery of the Communist Party, with its control over all media of mass communication, was disadvantageous from our point of view. We were being pictured as warmongers, imperialists, encirclers of the Soviet Union, and preparing to launch an aggressive war. Although many Russians were probably not swallowing this propaganda *in toto*, yet the net result was, in my view, some of it did stick in their minds.

3. We then talked about the rearmament of Germany, and I expressed the view that although the rearmament of Japan and the

---

[1] Copies of this memorandum were directed to Secretary Acheson, Under Secretary Webb, Deputy Under Secretary Matthews, Assistant Secretary Perkins, and Barbour of EUR/EE.

United States did not make a great impact on the mind of the ordinary Soviet citizen, all Russians living west of the Ural mountains who had experienced German invasions in 1914–18, and again in 1941–45, were undoubtedly uneasy at talk of a rearmed Germany. German military had been on their lands twice in the memory of living men, and a rearmed Germany represented something tangible and definite to most Soviet citizens.

4. We then went on to talk about my interview with Vishinsky on 5 October and agreed in general that the resumption of armistice talks in Korea seemed to bear some relation to my presentation of 5 October. [2] In that connection I gave the President some of the details of my talk with Vishinsky, with particular reference to his reluctance to speak to Mr. Stalin without a written paper from me. (We mentioned the Smith–Molotov conversations of 1948 as the reason for my recent oral statement.) I told the President it made me uneasy to note Vishinsky's reluctance to speak to Stalin without something in writing, because I wondered whether Mr. Stalin was receiving from his various sources throughout the world a frank and clear-cut statement of what was going on. The President agreed this was a doubtful point and one of some concern to all of us.

5. We then spoke of the British elections and the probable selection of Mr. Churchill as Prime Minister. [3] The President expressed himself very firmly against a meeting of the Big 3 at this time and felt that the United Nations was the proper forum for such topics. The President said he did not intend to go to Moscow, and recalled that he had invited Mr. Stalin to Washington. [4] The President said this attitude on his part had been expressed to Secretary Acheson recently and that when I saw the Secretary in Paris I was to say the President was still of the same mind. [6]

---

[2] See telegram 586 from Moscow, Document 812.

[3] The reference here is to the British national election of October 25. Following the Conservative Party victory in that election, Churchill succeeded Attlee as Prime Minister.

[4] At the concluding session of the American-British-Soviet heads of government conference at Potsdam, July 17–August 1, 1945, President Truman expressed the hope that the next Big Three meeting be held in Washington (*Foreign Relations, The Conference at Berlin (Potsdam Conference) 1945*, vol. II, p. 601). At his first interview with Stalin on April 4, 1946, Ambassador in the Soviet Union Walter Bedell Smith delivered a letter from President Truman containing an invitation to Stalin to visit the United States (*Foreign Relations*, 1946, vol. VI, p. 732, footnote 75). At press conferences in January and February 1949 and February 1950, President Truman reiterated his readiness to meet Stalin in Washington (*Public Papers of the Presidents of the United States: Harry S. Truman, 1949*, pp. 98 and 129 and *ibid., 1950*, p. 162).

[6] Ambassador Kirk served as an adviser to the U.S. Delegation to the Sixth Session of the U.N. General Assembly which convened in Paris on November 6.

6. Mentioning the opening of the General Assembly on 6 November at Paris as a probable platform on which the Soviets would renew their campaign for a 5-Power Pact, the President said he saw no need for that because of the United Nations Organization, to which the Soviet Government belonged, as the proper forum to discuss such matters. [7]

7. In reply to his inquiry, I told the President that the situation for the ordinary people in the Soviet Union was better than that of two years ago. There were more consumer goods coming from the satellite countries, who received their raw materials from the USSR. In fact, I commented that natural raw rubber was the only strategic raw material not available within the confines of the Soviet Union.

8. I then mentioned the question of Russian wives of Americans in Moscow, with particular reference to Mr. Robert Tucker, and I outlined the current situation—namely that Gromyko on 4 October had said there was no possibility of the Soviet Government changing its mind. [8]

9. I commented to the effect that we seized the diplomatic initiative by recent action such as the San Francisco Conference on the Japanese Treaty, the new Pacific Pact, the Ottawa Conference, the Washington meeting of the three Foreign Ministers, [9] and our declaration on the Italian Peace Treaty. [10] To my comment that at the General Assembly in Paris the Soviet delegation would try to recapture the diplomatic initiative, the President assented.

10. On taking leave of the President I stated that I thought our foreign policies were good, were sound, and were bearing fruit.

ALAN G. KIRK

---

[7] For documentation on the Soviet proposal for a five-power pact for the strengthening of peace, introduced at the Fourth Session of the U.N. General Assembly in 1949, see *Foreign Relations*, 1949, vol. II, pp. 72 ff.

[8] See telegram 582 from Moscow, Document 811.

[9] Regarding the meetings of the American, British, and French Foreign Ministers in Washington, September 10–14, see Document 807.

[10] For text, see Document 317.

## No. 818

*Department of State Wireless Bulletin* [1]

[Extract]

No. 261 WASHINGTON, October 26, 1951.

. . . . . .

### KIRK COMMENTS ON SOVIET-U.S. RELATIONS

*Confers with President*

Relations between the Soviet Union and the United States show "signs of turning in our favor," according to Alan G. Kirk, U.S. Ambassador to the Soviet Union.

Mr. Kirk discussed Soviet-U.S. relations with newsmen today after calling on President Truman. [2] He and the President talked "in general terms about the situation in the Soviet Union," Ambassador Kirk said.

"I don't think they (the Russians) are as tough as they were," Mr. Kirk said. "I think we are going to continue to be firm in insisting on our policies." He added:

"The attitude of the United States and the United Nations makes it quite clear that we know what limits to set and we are setting them."

Mr. Kirk was asked if he thought his exchange with Soviet Foreign Minister Andrei Vishinsky just before his departure from Moscow helped better relations. He replied:

"I think following my call (on Vishinsky) a little more reasonable attitude has developed in Korea."

Mr. Kirk said he would leave for Paris Monday, to attend the UN General Assembly as an adviser to the U.S. delegation. When asked about his plans after the General Assembly adjourns, Mr. Kirk said the situation was fluid, and he does not know what he will do.

When questioned on the possibility that his assignment to Moscow may be near its end, he said he has spent two winters in Moscow, and the prospect of a third did not seem very attractive. However, he did not make any direct statement on whether he will return to Moscow.

. . . . . .

---

[1] The Wireless Bulletin was the official news service of the Department of State. It was prepared by the Division of International Press and Publications and transmitted daily by radio to various foreign service posts abroad. Foreign language editions were distributed in various cities by the U.S. Information Service.

[2] Regarding the conversation, see Kirk's memorandum, *supra*.

## No. 819

861.413/11-851

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)*

CONFIDENTIAL [WASHINGTON,] November 8, 1951.

Subject: Situation of American Clergyman at Moscow

Participants: Mr. Michael Francis Doyle
Father Wilfred J. Dufault
Father Leopold Braun
EE—Mr. Barbour
EE—Mr. Henry

Mr. Doyle brought Fathers Dufault and Braun in to call on me today to discuss the present status of Father Brassard, American Catholic Priest at Moscow. [1] We discussed many aspects of this problem, including Father Brassard's present arrangements for holding services, plans for Father Brassard's replacement, the status of Father Brassard's attempt to retain control over the Church of St. Louis des Francais, the position of the Latvian Priest who has taken Father Brassard's place at the church, Soviet attempts to treat Father Brassard as a member of the Embassy staff, possible methods of sending a new altar and tabernacle to Father Brassard, and the present status of French attempts to obtain permission for another French Catholic Priest to go to Moscow and use the Church of St. Louis. [2]

I also asked Father Dufault and the others whether they wished to accept the funds which Father Brassard desires to transfer to the United States through the Embassy. It was agreed that they would consider this question further and that the Department would take no action in the meantime. The Department will continue to look into the feasibility of arranging a transfer.

---

[1] This was one of a number of conversations between Doyle and officers of the Department of State during 1951 regarding the situation of Father Brassard. Other conversations were held on February 27, April 27, and August 2. Records of those conversations are in file 861.413. Regarding Father Brassard's status in the USSR, see also section D of the draft Department of State Policy Statement on the USSR, Document 767.

[2] Father Jean Dematha Thomas, the last French Roman Catholic priest to serve in Moscow, had been forced to leave the Soviet Union on September 1, 1950. The French Government had tried unsuccessfully to secure a visa for another French priest to take his place and officiate at the Church of Saint-Louis-des-Francais, the only Roman Catholic Church in Moscow.

It was also agreed that the Department will ask the Embassy for information on the current status of the various aspects of the situation of Father Brassard. [3]

Mr. Doyle concluded by expressing the hope that it would be possible for the Department to arrange an interview with President Truman for him so that he could inform the President of recent developments in this important church matter included in the Roosevelt–Litvinov agreement. I said that I would bear this matter in mind. [4]

WALWORTH BARBOUR

[3] For the report by the Embassy in Moscow on the status of Father Brassard, see despatch 423 from Moscow, Document 824.

[4] There are no indications in Department of State files that a conversation between Doyle and President Truman was arranged. Doyle was presumably referring to the exchange between President Franklin D. Roosevelt and Soviet People's Commissar for Foreign Affairs Maksim Maksimovich Litvinov, which took place in Washington, November 16, 1933; see *Foreign Relations*, The Soviet Union, 1933–1939, pp. 29–33.

## No. 820

761.00/11-1351

*Memorandum by the Deputy Special Assistant for Intelligence (Howe) to the Director of the Office of Intelligence Research (Evans)*

SECRET [WASHINGTON,] November 13, 1951.

There is continuing discussion of Bohlen's interpretation of Beria's speech [1] in which he believes that there may be real elements of weakness and that an air of nervousness and uncertainty pervades the speech. In the discussions at the Secretary's meeting this morning [2] I pointed out, and it was accepted, that Intelligence recognizes that this might very well be behind the speech but that it was speculative and visceral and therefore Intelligence itself could not put it forward as the conclusion which they would reach with respect to the speech.

However, because there seems to be some currency in the Bohlen view, the question was raised on what the impact was or might be upon our various allies and other elements of the Free World, of a

[1] The reference is presumably to Beriya's speech of November 6 to the Moscow Soviet commemorating the 34th anniversary of the Bolshevik Revolution. For an extract from the speech, see Folliot, *Documents on International Affairs, 1951*, pp. 294–304.

[2] No record has been found of the Secretary of State's daily meeting of November 13 with top officers of the Department of State.

view or position taken by the US that this speech did represent uncertainty and perhaps weakness. Nitze quite rightly pointed out that the reaction would be different if the interpretation of the assumed weakness was with respect to (a) our possible actions, or (b) Soviet-planned actions and the probable reactions thereto.

You realize that this does not address itself to whether the speech itself does reflect weakness, but rather what the effect would be if the US, directly or indirectly, promoted the idea that it represented uncertainty or weakness.

I pointed out to the Secretary's Meeting that we could try a hand at an estimate of the various reactions to this proposition, but that I was not at all hopeful that anything concrete enough or significant enough could be developed to assist in action or decision. Will you promptly take this up with Mose and the Estimates Group [3] to try and formulate if at all possible a proposition which would merit a quick estimate which had some chance of being useful. [4]

FISHER HOWE

[3] Officers in the Department of State concerned with preparation of National Intelligence Estimates.

[4] The source text bears the following unascribable handwritten notation:

"Do you want to take this up with Mose [Harvey]? I think compared to other work in hand this is too fluffy to justify interrupting NIEs."

## No. 821

110.11-AC/11-2251

*Memorandum of Conversation, by Lucius D. Battle, Special Assistant to the Secretary of State* [1]

TOP SECRET PARIS, November 20, 1951.

The Secretary attended a dinner last night given by President Auriol. During the evening, the Secretary talked briefly to Mr. Lie, who urged the Secretary to go over and speak to Mr. Vishinsky. The Secretary with Ambassador Bruce walked over to a group consisting of Mr. Vishinsky, Mr. Malik and Mr. Pavlov. Mr. Bruce was present for only the first portion of the conversation and then moved away from the group. The Secretary told me about it afterward. He said that everyone in the room withdrew so that he stood

[1] In a brief transmittal memorandum to McWilliams (S/S), Battle explained that this memorandum was based upon Secretary Acheson's description to him of the conversation with Vyshinsky. Battle suggested that the memorandum not receive any distribution "other than those who need to know about it". A note of December 4 by McWilliams attached to the source text indicates that this memorandum was sent to Bohlen (C) for information and to Bonbright (EUR) to file.

alone with the Russians, and that photographers took pictures of them and the room generally watched the proceeding with interest.

The Secretary said that he exchanged greetings with the Russians and then turned to Mr. Vishinsky and said that he hoped that Mr. Vishinsky had noticed that although Mr. Vishinsky had been as offensive as possible to the Secretary and to the United States Government, the Secretary had refrained from offensive remarks about either Mr. Vishinsky or his Government. [2] The Secretary said that if Mr. Vishinsky wanted to discuss anything with him, he had a free field without any problem of prestige or otherwise.

Mr. Malik then said that the Secretary had stated that the Russians had slave camps. Mr. Acheson then turned to Mr. Vishinsky and said that he wanted to talk to Mr. Vishinsky, not to Mr. Malik. The Secretary suggested a rereading of his speech with regard to the point on the Russians having slave camps, and said that it was not as Mr. Malik had indicated. The Secretary repeated that he had not said anything personally offensive about Mr. Vishinsky or his Government and repeated that there was no problem of prestige if he wished to discuss matters with the Secretary.

The Secretary continued by saying that he and Mr. Vishinsky could understand each other as they were both lawyers. He said they could laugh and make jokes in private and that that was all right, but the Secretary said that he did not derive any amusement from efforts at humor in the United Nations. He thought that such efforts at this kind of thing in the United Nations was neither funny nor constructive. He said that humor and the sort of thing Mr. Vishinsky had engaged in in the United Nations was in bad taste and that he resented it deeply. He pointed out that the United States had not responded in kind. He said we had tried to be calm and serious and to make worthwhile proposals for the United Nations' consideration. Malik then replied that the United States was not sincere and its attitude was not constructive. The Secretary said he did not want to argue with Malik, which would result in getting into a propaganda circle.

The Secretary continued by saying that he was trying to make it possible to conduct the debate in a useful manner and it was up to the Russians whether this was to be done.

Mr. Malik then said that in Russian the word for "world" and "peace" was the same. Therefore, a united world meant peace. The

---

[2] The reference here is presumably to Secretary Acheson's address on November 8 to the Sixth Session of the U.N. General Assembly on the American-British-French plan for the reduction and control of arms and Vyshinsky's speech in rejoinder on the same day. Documentation on arms control in general and the plan under reference in particular is in vol. I, pp. 443 ff.

Secretary said he was not interested in applesauce about words. He said that if Mr. Vishinsky wanted to stop fooling around with doves and get on a twig, he would get on a twig with him and try to work out the problem. Mr. Vishinsky replied that if Mr. Acheson would come out of the ground, Vishinsky would get on the twig.

In discussing this conversation with me, the Secretary said he thought that it was important only in that it was a rugged conversation in which he swapped blows with Mr. Vishinsky. The Secretary said that it was all at his initiative and he was very much "in front" in the conversation.

The Secretary said he told Mr. Lie about it and that Mr. Lie was much impressed. He said if they blasted Mr. Acheson, no one could blame him for "going after them". Mr. Lie said that Mr. Acheson had done all he could do to make constructive discussion possible.

---

## No. 822

123-Kennan, George F.: Telegram

*The Acting Secretary of State to the Secretary of State, at Rome* [1]

SECRET
PRIORITY

WASHINGTON, November 26, 1951—8:42 p.m.

Telac 49. Personal for the Secretary from Webb. Now that the ques of George Kennan succeeding Kirk as Amb to Moscow has received wide and favorable publicity and has in effect been confirmed by President's comment, [2] we feel that no time shld be lost in requesting agreement. Kennan strongly favors this move. He will be in Paris Wednesday and cld discuss with Amb Kirk.

While we do not of course know Soviet reaction, a long delay before official request for *agrément* might result in propaganda attacks on Kennan which cld make acceptance impossible and even request by us out of ques. Our recommendation wld be to request immediately Soviet *agrément* through Emb Moscow, formal written

---

[1] Repeated to Paris personal for Ambassador Kirk. Drafted by Bohlen who cleared it with G and EUR. Secretary Acheson was in Rome for the Sixth Session of the North Atlantic Council, November 26–30.

[2] During a brief meeting with correspondents in Key West on November 20, President Truman commented briefly on press reports that George F. Kennan might be named the next American Ambassador in the Soviet Union. President Truman observed that Kennan would make a good ambassador. Also on November 20, a spokesman for the Department of State informed the press that Kennan would return from his leave at the Institute for Advanced Studies at Princeton University about May 1952 and that one of the posts for which he was being considered was that of Ambassador in the Soviet Union. The spokesman added that Kennan's definite assignment at the time he returned to the Department of State had not been fixed. (Department of State Wireless Bulletin, November 20, 1951, No. 282, p. 8)

request to be in usual form but Chargé in presenting to add orally that possible assignment will not be effective for some time. We wld announce appointment upon receipt *agrément* with similar appropriate indication as to probable delay Kennan arrival post. Kennan as you know probably cld not proceed to Moscow before April. We see no objection to delay provided *agrément* has been received and his appointment made official. Wld appreciate your comments. [3]

WEBB

---

[3] In telegram Actel 26 from Rome, November 28, Secretary Acheson replied as follows:

"Concur in desirability requesting Kennan's *agrément*. Would suggest that oral comments on request not indicate that assignment will be long delayed, for fear Moscow will use as reason for delay in giving *agrément*. Suggest Russians be told date of assignment uncertain but that we hope it can be effected soon as possible." (123-Kennan, George F.)

A similar comment was made by Ambassador Kirk in telegram 3198 from Paris, November 29. (123-Kennan, George) Acting on instructions from the Department of State, Chargé Cumming presented the formal request for Kennan's *agrément* to Soviet Acting Foreign Minister Gromyko on December 1. The Soviet Government expressed its agreement to Kennan's appointment on December 19. On December 26 Presidential Press Secretary Joseph Short announced in Kansas City that President Truman had reluctantly agreed to accept the resignation of Ambassador Kirk and intended to nominate Kennan as his successor. Short explained that the *agrément* of the Soviet Government to Kennan's appointment has been sought and received in the usual manner and his nomination would be presented to the Senate in due course. (Telegram 443 to Moscow December 26, 123-Kirk, Alan G.)

---

## No. 823

*Editorial Note*

In a note of November 21 to the Embassy in the Soviet Union, the Soviet Government protested against Section 101 of the Mutual Security Act of 1951 (Public Law 165, 82d Congress, 1st session, October 10, 1951) which authorized the expenditure of up to $100,000,000 to form escapees from the Soviet Union, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Albania, Lithuania, Latvia, and Estonia, or the communist-dominated or occupied areas of Germany and Austria into "elements of the military forces supporting the North Atlantic Treaty Organization or for other purposes". The Soviet Government claimed that the legislation was an interference in the internal affairs of other countries and a violation of the undertakings entered into in the Roosevelt-Litvinov exchange of letters of November 16, 1933. For text of the Soviet note, see Department of State *Bulletin*, December 3, 1951, pages 910-911, or Folliot, *Documents on International Affairs, 1951*, pages 318-320.

For text of the Mutual Security Act of 1951, see *American Foreign Policy: Basic Documents, 1950–1955,* volume II, page 3059. For an excerpt from Section 101 of the Act, see Folliot, *Documents on International Affairs, 1951,* pages 317–318.

Similar protests were made by Hungary and Poland on December 1, by Czechoslovakia on December 7, and by Romania. For the texts of the Hungarian and Polish notes, see *Hungarian White Book,* pages 312–314 and *Polish Documents,* pages 190–193, respectively.

In a note of reply delivered to the Soviet Foreign Ministry on December 19, the United States rejected the arguments raised in the Soviet note of November 21.

"The United States Government categorically rejects the Soviet Government's allegations that the [Mutual Security] Act constitutes interference in the internal affairs of the U.S.S.R. or a violation of the undertakings in the Roosevelt–Litvinov correspondence of November 16, 1933."

For text of the note of December 19, which was released to the press the following day, see Department of State *Bulletin,* December 31, 1951, page 1056 or Folliot, *Documents on International Affairs, 1951,* pages 320–321.

On November 22, the Soviet Union proposed that its allegations against the Mutual Security Act of 1951 be placed on the agenda of the United Nations General Assembly which was then holding its Sixth Session in Paris. A Soviet resolution condemning the Mutual Security Act as an "act of aggression and as interference in the internal affairs of other states" and demanding repeal of the Act by the United States was rejected by the Political and Security Committee of the General Assembly on December 21, by a vote of 39 to 5 with 11 abstentions and was also rejected by the General Assembly itself on January 11, 1952, by a vote of 42 to 5 with 11 abstentions. For documentation on the consideration of the Soviet resolution in the United Nations, see volume II, pages 477 ff.

## No. 824

861.413/12-2851: Despatch

*The Chargé in the Soviet Union (Cumming) to the Department of State* [1]

CONFIDENTIAL Moscow, December 28, 1951.
No. 423

Subject: Status of Father Brassard, American Clergyman at Moscow

There has been no change in Father Brassard's status in recent months. He continues to live in an apartment allocated to the French Embassy in the "diplomatic" apartment house on Sadovo-Samotechnaya, and has recently received a new altar and tabernacle which he says constitutes all of such equipment necessary at this time. Recently, alterations to facilitate the holding of religious services there have been effected in the apartment by the Soviet agency, Burobin.

The question of a replacement for Father Thomas [2] has apparently reached an impasse. The French Embassy has connected the matter of a new French priest to the resumption of control of the Church of St. Louis. The Soviets, on the other hand, apparently have let it be known that consideration of a visa request for a French priest would also be connected with the matter of issuance of a French entry visa to a representative of the Moscow Orthodox Church. It seems unlikely therefore that a French priest will be coming to Moscow in the near future.

Father Brassard appears to be in excellent health and good spirits, although he naturally looks forward to the day when he may anticipate the arrival of a replacement here. The Department will recall the extraordinary delay experienced in connection with Father Brassard's original entry visa. The religious authorities should therefore be counseled to make application for Father Brassard's replacement months in advance of his actual anticipated departure.

For the Chargé d'Affaires a.i.
JOHN M. MCSWEENEY
*Counselor of Embassy*

---

[1] The report set forth in this despatch had been requested in airgram A-102 to Moscow, November 15. See also Document 819.

[2] See footnote 2, Document 819.

# YUGOSLOVIA

## INTEREST OF THE UNITED STATES IN SUPPORTING THE INDEPENDENCE OF YUGOSLAVIA THROUGH MILITARY AND ECONOMIC ASSISTANCE PROGRAMS AND THROUGH THE ENCOURAGEMENT OF EXPANDED POLITICAL RELATIONS WITH THE WEST [1]

## No. 825

768.56/1-551: Telegram

*The Secretary of State to the Embassy in France* [2]

TOP SECRET WASHINGTON, January 5, 1951—7 p.m.

3566. Dept is today informally giving Brit Emb following comment on FonOff views contained in Deptel 3443 Dec 27 to Paris rptd London 3175 Belgrade 599. [3]

1. Dept does not believe that three western countries shld make offer of eventual military aid to Yugo at present time or that despatch of team of Allied service experts to Yugo to conduct on-the-spot investigations of Yugo requirements shld be proposed.

2. Tito has seized every opportunity to make publicly clear fact he has not requested arms aid from West and has hitherto taken position that it would be neither desirable nor politically feasible for him to request such aid unless attacked by USSR. Recent information (Belgrade's 803 Dec 29 to Dept rptd London 46 Paris 116 [4]) indicates Tito's position in this regard remains unchanged. Additionally, Dept considers account must be taken of present fact avail mil equip needed for urgent requirements of NATO and other MDAP countries is too severely limited to justify initiation at this time of action by West which would entail assumption additional mil equip supply responsibilities, as well as of political desirability

---

[1] For previous documentation on this subject, see *Foreign Relations*, 1950, vol. IV, pp. 1338 ff. For documentation on Yugoslavia's policy concerning Trieste, see Documents 84 ff.

[2] Drafted by Cloyce K. Huston of the Office of Eastern European Affairs and cleared with Reinhardt, Bonbright, S/MDA, WE, RA, BNA, and MD. Repeated to Belgrade and London.

[3] Telegram 3443, printed in *Foreign Relations*, 1950, vol. IV, p. 1513, set forth the position of the Department of State with respect to the purchase of military equipment by Yugoslavia in France.

[4] For text, see *ibid.*, p. 1514.

in any case of avoiding any appearance of pressing unrequested mil aid on Yugo.

3. Because of commercial nature of proposed Fr sale of arms to Yugo and its relationship to financial settlement involving pre-war debts and nationalized properties, as well as character of items involved and presently advanced stage of negots, Dept does not believe this transaction shld in any case be utilized as basis of any tripartite approach to Tito. US Govt accordingly remains prepared, to extent that items do not essentially duplicate matériel being supplied under MDAP and urgently required by Fr or IC and do not represent significant requirements in other NAT countries, to interpose no objection to sale (Deptel 3370 Dec 20 rptd Belgrade 570 pouched London [5]).

4. Dept believes nevertheless that US and other western countries shld endeavor to place themselves in position promptly and effectively to meet Tito's emergency arms needs in case of Soviet or satellite attack.

5. Brit Emb is being requested obtain Brit FonOff views on foregoing and you shld meanwhile endeavor inform Dept re Fr views. [6]

6. Second para London 3656 Dec 29 to Dept (rptd Belgrade 26 Paris 1233) [7] and third para Belgrade's 803 re desirability loosening export control in favor Yugo will be subject of separate telegram.

ACHESON

---

[5] For text, see *Foreign Relations*, 1950, vol. IV, p. 1511.

[6] On January 13, Lord Jellicoe of the British Embassy informed the Department of State that the British Foreign Office agreed with the Department's position that a tripartite offer should not be made at the present time and that a team of experts should not be sent to Yugoslavia for on-the-spot investigations. (Memorandum of conversation, January 13, 768.56/1-1351)

[7] Telegram 3656 reported, in the second paragraph, that the British Foreign Office still sought U.S. concurrence in the proposal that the United States, the United Kingdom, and France approach the other members of the OEEC for a modification of the ban on exports of strategic materials to Yugoslavia. (768.5-MAP/12-2950)

---

## No. 826

*Editorial Note*

In response to a severe drought in Yugoslavia during the fall of 1950, the United States Congress approved the "Yugoslav Emergency Relief Assistance Act of 1950" (Public Law 897, 81st Congress) on December 29, 1950, which allocated $37.8 million for food assistance. For text of the legislation, approved by President Truman on December 29, see Department of State *Bulletin*, February 12, 1951, pages 277-278. For documentation concerning the drought in Yugo-

slavia and the formulation and approval of the relief program, see *Foreign Relations*, 1950, volume IV, pages 1459 ff.

On January 6, Ambassador Allen and Yugoslav Foreign Minister Kardelj signed an agreement in Belgrade dealing with the provision of the food assistance program; for text of this agreement, see Department of State *Bulletin*, January 22, 1951, pages 150–151. Telegraphic exchanges between the Department of State and the Embassy in Belgrade regarding the conclusion of this agreement are in file 868.03.

---

## No. 827

*Editorial Note*

Yugoslav Ambassador Popović called on Assistant Secretary of State for Economic Affairs Thorp on January 10 to elicit the opinion of the Department of State on his government's request for a further $41 million of American assistance to meet Yugoslav raw materials requirements and to discuss other economic questions. Ambassador Popović anticipated that, if such assistance and other credits currently being negotiated materialized, no further assistance would be needed. The Ambassador was informed that the question was under careful study and that the Department of State would soon be in a position to discuss it. In reply to a question concerning the status of current negotiations with the IBRD, Popović indicated that the most recent discussions had centered on the needs of the Yugoslav economy for long-term financing, and it was hoped that consideration of the first phase of the Yugoslav development program would be concluded very soon. Popović also indicated Yugoslavia's interest in American assistance through an ECA allotment to West Germany which would permit the West Germans to extend the duration of their outstanding credit to Yugoslavia and to extend further credits up to a total of $40 million. In response to an inquiry concerning Yugoslavia's attitude toward the European Payments Union, Ambassador Popović indicated that he would be glad to explore such a possibility. A memorandum of this conversation was prepared, but no copy has been found in Department of State files. The information set forth here is based upon a précis of that memorandum included in the Daily Secret Summary for January 11, 1951. (Lot 52-241)

## No. 828

868.00/1-1051

*Memorandum of Telephone Conversation, by Peter C. Walker of the Office of Eastern European Affairs*

CONFIDENTIAL [WASHINGTON,] January 10, 1951.

Subject: Participation of the IBRD in a Working Group to Survey the Yugoslav Economy

I called Mr. Lipkowitz today to explore with him, on an informal basis, the possibility of someone from the IBRD participating in a United States Government working group to survey the Yugoslav economy. I also wanted to clarify the position of the bank as it had been expressed to Mr. Perkins by Mr. Garner during his visit just before Christmas.

Mr. Lipkowitz said that on the first matter he did not believe there would be any difficulty. In fact, he thought that a general agreement on the facts of the Yugoslav economic situation between the bank and the various United States Government agencies was much in order. Such a survey by a working group would deal with facts rather than recommendations. Nevertheless, out of an agreement on the facts would necessarily come a much clearer picture of the various lines of action which could be pursued.

Mr. Lipkowitz implied that he did not think there would be any objection to a general pooling of information for the purposes of such a survey.

As to his understanding of what Mr. Garner and Mr. Rosen had said to Mr. Perkins in their interview, Mr. Lipkowitz stated that he believed the primary purpose of their call was to impress upon the Department the obvious inconsistency from the point of view of the bank and indeed of the United States Government which would result were the bank to loan Yugoslavia large amounts of money for capital development while they were unable to pay for the raw materials and other commodities necessary to maintain the stability and continuity of their economy. In this connection, he said that the bank estimated that during the next two years the Yugoslavs would need around $75 million, entirely aside from capital equipment purchases, in order to maintain the level of imports necessary to keep their trade in balance and their economy going. In other words, in addition to some $200 million on capital account during the next four years it would need some $75 million of foreign capital on current account. The soundest method of providing such financial assistance would be through grants which would not impair their debt-carrying capacity. The implication was clear that

the bank felt that the Department should include in its over-all request for Congressional appropriations a sufficient amount for financial assistance to Yugoslavia.

Mr. Lipkowitz further said that he thought it was important that the Department should appreciate the necessity for a sound financial approach to the long-run stability of the Yugoslav economy rather than continue to allow the Yugoslavs to force upon us a piece-meal approach to the problem: i.e. every three months approach the Department for a loan of some $10 or $15 million which they need "yesterday". I said that he must realize that although the Department had a somewhat different interest in the matter, namely the short-run military-political importance of Yugoslavia, nevertheless, our interest in keeping Yugoslavia "in fighting trim" was not incompatible with the bank's interest in the long-run approach to a sound Yugoslav economy. In other words a sound Yugoslav economy in the long run demands that they put their house in order in the short-run.

---

## No. 829

868.03/1-1251: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

SECRET WASHINGTON, January 12, 1951—7 p.m.

673. Dept concerned over increasing evidence Yugos failing make determined effort reduce their need for fin assistance arising from drought by realistic adjustment their apparently inflexible econ plans. Prelim data on Yugo raw material requirements recently handed us by Yugo Emb indicate figures derived by merely subtracting value actual agri exports from value planned agri exports and labeling difference as value import requirements resulting from drought. On basis this data and conversations with Yugos here, we see no evidence at present YuGov has 1) examined possibility reducing imports all types including both capital equipment and raw materials; and 2) explored fully every conceivable arrangement with important trading partners in order insure continuing deliveries essential raw materials. On contrary, strong impression created YuGov expects US meet major share losses occasioned by drought. This connection, Dept informed major portion recent $16 million net Ital reparations payment Yugo committed for machin-

[1] Drafted by Charles G. Stefan and Peter C. Walker of the Office of Eastern European Affairs and cleared with Campbell, Truesdell, WE, GER, E, and H. Repeated by airgram to London, Paris, Frankfurt, Rome, Brussels, Bern, Vienna, and Cairo.

ery, although several items on their list of "raw material" requirements (Deptel 4510 Dec 22 to Frankfort rpt Belgrade 587 [2]) are available in Ital (Rome's 2775 Dec 29 rpt Belgrade 81 [2]). Of course, we unfamiliar with position Itals during negot.

As you aware, Dept's position on Yugo raw material needs set forth in *Aide-Mémoire* handed Filipovic Nov 22 (Deptel 434 Nov 25 [2]). See also Memo Conversation between Perkins and Popovic Dec 7 [3]). Most liberal interpretation last sentence *Aide-Mémoire* wld imply 1) Yugos must exhaust every means payment for such materials; 2) they must demonstrate they had done so and prove remaining materials were absolutely essential Yugo economy; and 3) only then wld US be prepared discuss fin assistance for this purpose. Dept has at no time contemplated US providing major share Yugo raw materials needs. It was hoped we wld only need provide such aid as wld enable Yugos purchase cotton and perhaps certain POL products in US and that remainder existing Eximbank loan cld be used help finance such purchases.

Position Yugo Emb now however, 1) YuGov has already exhausted every possible means fin purchase needed raw materials and 2) US accordingly will somehow make arrangements fin these purchases, valued by Yugos at approx $41 million (see list Deptel 4510 rpt Belgrade 587 Dec 22 [2]).

Only sources funds for further assistance Yugo are Eximbank, ECA, Congress. Dept believes loan this magnitude and for such purpose fr Eximbank out of question. Any loan to Yugo for raw materials wld also place heavy burden on Yugo debt-carrying capacity for purposes which wld not create additional debt-servicing ability. This particularly serious if, as likely, such loan wld reduce development program which might result fr current Yugo discussions with IBRD.

In view Cong reaction ECA arrangements with Ger and Ital re flour shipments, Dept believes impossible this time consider using existing ECA appropriation further assistance Yugo thru conditional aid third countries, such as suggested Frankfort's 5345 Jan 2 rptd Belgrade 75. [4]

Thus, even if we desired, for pol considerations, meet Yugo request, sources necessary funds appear limited to grant thru Cong. In view apparent failure thus far Yugo make econ adjustments nec-

---

[2] Not printed.

[3] The memorandum summarized a conversation during which Perkins told Popović that while the United States appreciated Yugoslavia's difficult raw material situation it was unable "at the present time" to undertake anything more than the emergency food program. (868.10/12-750)

[4] Telegram 5345 reported on negotiations between Yugoslavia and West Germany for a credit to finance Yugoslav purchases in West Germany. (868.10/1-251)

essary solve econ difficulties compounded by drought plus lack concrete data on Yugo econ and proof needs, we believe impossible approach Cong. Cong opinion this matter already reflected by insertion sub-section f Sec 3 Yugo Aid Bill.

FYI appears Dept possibility exists and shld be explored for at least partial utilization by Yugos for raw materials 1) West Ger credit; (Deptel 4510 Dec 22, rptd Belgrade 587); 2) Austrian credit; (Vienna 1159 Dec 11, rptd Belgrade 32); 3) Ital reparations payments; (Rome 2839 Jan 3, rptd Belgrade 83); [5] and 4) $4 million credit recently extended Yugo by Bank Inter Settlements (Brussels Toeca 363 Dec 21, being rptd Belgrade [6]). Brit Emb here has indicated possibility UK credits Yugo for raw materials in addition to recent offer 2 million pounds this purpose. FYI Eximbank also approved Dec 11 release 6.5 million fr remainder existing loan enable Yugos purchase cotton (5.), non-ferrous mining equip (1.3) spare parts blooming mill (.2) in US. [7]

View this background, Dept now considering informing Yugos here 1) we not in position at this time to furnish YuGov any grant assistance fin procurement raw materials; 2) we believe YuGov well advised examine every possible reduction in its imports all types including both raw materials and capital equipment and explore fully every conceivable arrangement with other countries.

We recognize that, even if Yugos make determined effort along lines point 2 proposed approach, some further US aid may well be necessary during first half 1951. During next few months, however, YuGov itself will have opportunity show it making genuine "self-help" effort overcome effects drought and shld be able provide more comprehensive picture bona fide Yugo requirements. Dept also planning concerted effort basis such data as available toward analysis Yugo long-term econ position, priority being given effect substitution raw materials for capital items now sched for Yugo under credits with Yugos important Europ trading partners.

Ur comment and views this problem, including possible YuGov reaction contemplated approach, urgently requested. Also desire ur reaction Toeca 363. [8]

ACHESON

---

[5] None printed.

[6] Not printed.

[7] Presumably a reference to the loan of $15 million authorized by the Export-Import Bank on August 10, 1950. See the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1438.

[8] In his telegram 912 from Belgrade, January 17, Ambassador Allen expressed the opinion that a maximum effort on the part of the Yugoslav Government to meet its needs through its own efforts could be produced by an early statement to the Yugoslav Ambassador in Washington that apart from the possibility of utilizing a

*Continued*

## No. 830

768.5/1-1751

*The Deputy Under Secretary of State (Matthews) to the Under Secretary of Defense (Lovett)* [1]

TOP SECRET EYES ONLY [WASHINGTON,] January 17, 1951.

DEAR MR. LOVETT: Reference is made to the recent conversations held in your office regarding the possibility of providing certain military assistance to Yugoslavia on a confidential basis. [2]

. . . . . .

The Department of State attaches high importance to rendering every possible assistance to Yugoslavia in its endeavor to defend itself and maintain its independence. In addition, this Department attaches great significance to the political and psychological importance of the Tito Communist heresy and believes that the maintenance of a strong Yugoslavia represents a valuable asset to the free world and a continuing and heavy liability to the Kremlin. It is our understanding that the Department of Defense holds similar views.

It will be recalled that in NSC 18/4 approved by the President November 17, 1949, entitled "United States Policy Toward the Conflict between the USSR and Yugoslavia", [3] the United States interest in supporting Yugoslav independence is stated in the following terms:

2. Soviet success in destroying the Tito regime in Yugoslavia and supplanting it by a puppet government completely subservient to Moscow would represent a renewal and intensification of threats to the security of Greece and Italy and a serious political reverse for the United States and the Western European nations. The Western position in Trieste and Italy would immediately become more difficult and the present possibilities of a Yugoslav-Italian agreement on a Trieste solution would undoubtedly disappear. Direct Soviet control of all Yugoslav territory would have disastrous consequences for Greece. Because of the great blow to Greek morale and the opportunities for renewed and intensified guerrilla operations, it would be doubtful whether Greece could be saved from Soviet domination. While the limits of the area of Soviet control would merely be restored to what they were before the Tito-Kremlin

---

further portion of the present Eximbank credit, there was no practical possibility of American financing any 1951 Yugoslav requirements for raw materials. Allen believed that a flat but friendly negative reply without any accompanying lecture would cause the Yugoslav Government itself to examine the shortcomings in its economic system. (868.10/1-1751)

[1] Drafted by Reinhardt and cleared with Bonbright and Joyce.

[2] A memorandum of this conversation is in file 768.5/1-451.

[3] For text, see *Foreign Relations*, 1950, vol. IV, p. 1341.

break, the situation would in fact be worse, in that recent Western gains would have been lost or offset and increased momentum given to Soviet expansionism. Soviet success in subjugating Yugoslavia would have a tremendous psychological impact on Europe, which would be increased if Soviet action encountered only indecision and ineffective counter-measures on the part of the United States and other Western powers. In consequence, all the gains we have made in Central and Western Europe and in Greece during the past two years would be jeopardized.

The National Intelligence Estimate, NIE-7 of November 21, 1950, [4] contains the following estimate of Yugoslavia's strategic importance:

15. The strategic importance of Yugoslavia to the Western Powers lies in the following: its position as a vital link in the defense of the Eastern Mediterranean, and the Near and Middle East; its inclusion in the bloc that forms a potential threat to the southern flank of a Soviet attack on Western Europe; and its importance as a key member of a potential Balkan–Near and Middle East bastion of Western-oriented States from which the Communist Satellites and the USSR can be attacked directly. Yugoslavia is of strategic importance to the Soviet bloc as an approach for attacks into Greece and Italy, and as an important integral part of the area that the USSR would have to bring under its domination to control the Eastern Mediterranean, the Black Sea and the Adriatic.

Mr. Velebit has advised us that in the face of continuing Soviet pressure and the menacing rearmament of the adjacent Soviet satellite states the Yugoslav armed forces are being maintained at a level of more than 400,000 men and that it is planned to increase this number to 600,000 in the spring in order to meet a possible crisis. The problem of equipping these forces with adequate arms and munitions is a serious one for the Yugoslav Government, particularly in view of its present economic and financial difficulties. Mr. Velebit also provided the information that in case Yugoslavia were attacked the present planning called for the mobilization of two million men.

It is probable that if Marshal Tito's concern is as deep as it appears to be and Soviet pressure on him is maintained at its present level he will before many months reach the point of addressing a formal request for military assistance from this and other countries in spite of the political disadvantages to him of such action. The Department is fully aware of the limitations which exist to our meeting even a part of the requirements set forth in the lists submitted by Mr. Velebit and now under study by the Joint Chiefs of Staff unless the procurement for Yugoslavia of a large proportion

[4] Not printed. (768.00/11-2150)

of those items can be accorded an overriding priority. It is assumed that at best a number of months would elapse before any substantial deliveries could be made.

The confidential nature of the present request is of course an added difficulty and presumably precludes the possibility of any extensive assistance to Yugoslavia of the type requested. It has been noted, however, that many of the items on Mr. Velebit's lists are for matériel which may be regarded by the American military authorities as outdated and that some of the items may quite possibly be in surplus in this country, or may be available from stocks of captured World War II matériel.

In these circumstances the Department of State would appreciate being informed as a matter of urgency whether any items whatsoever on the Yugoslav lists might be made immediately available to the Yugoslav Government . . . . It is important that an early reply on this point be conveyed to Mr. Velebit, who has stated that in the event this Government is unable to provide through confidential channels any immediate military assistance to his country the Yugoslav Government must take this fact into account in its efforts to reach a condition of optimum readiness to meet possible Soviet aggression in the spring.

Sincerely yours,

H. FREEMAN MATTHEWS

---

## No. 831

868.10/1-1751

*Memorandum of Conversation, by the Acting Officer in Charge of Eastern European Affairs (Truesdell)* [1]

SECRET [WASHINGTON,] January 17, 1951.

Subject: Position of the International Bank Concerning Loans to Yugoslavia.

Participants: Mr. Martin Rosen, International Bank
S/P—Mr. Joyce
EE—Mr. Truesdell
EE—Mr. Gannett
EE—Mr. Rawson
EE—Mr. Walker

Mr. Rosen called today in order to outline to the Department the new position of the International Bank concerning conditions

[1] Drafted by Walker.

under which the Bank would be willing to extend a series of loans to Yugoslavia. A program of loans from the Bank has been the subject of discussions between the Bank and the Yugoslav Government for almost two years. These discussions came to a head, after Mr. Black's visit to Belgrade and his talks with Marshal Tito,[2] with the despatch by the Yugoslav Government of a special delegation headed by General Velebit to Washington to negotiate with the Bank.

According to Mr. Rosen, General Velebit, who returned from Belgrade last week, and Mr. Gouzina, Vice President of the State Planning Commission, called on Mr. Black on Monday for the first time since General Velebit's return. General Velebit also called on Mr. Rosen on Tuesday. There are no fundamental disagreements between the Bank and the Yugoslavs which could not be ironed out, if the basic issue which now confronts the Bank were resolved. This basic issue, Mr. Rosen explained, is the extent of the deficit on current account in Yugoslavia's balance of payments (the uncovered deficit in trade apart from capital goods) and how that deficit will be met. Mr. Rosen stated that the Bank has told the Yugoslavs that, unless the Bank is assured that the deficit, estimated at approximately $100 million over the next two years, can be met on a grant basis, the Bank cannot go ahead with the loan program.

Mr. Rosen then proceeded to outline the history of the last phase of the discussions between the Bank and the Yugoslav Government which began when Mr. Black visited Belgrade in September of last year. At that time, Marshal Tito and Boris Kidric, President of the Planning Commission, told Mr. Black that Yugoslavia's total needs for foreign assistance were $500 million. Of this amount $300 million was needed for capital equipment over the next two years, $100 million for assistance in connection with the drought and $100 million for current account assistance during the next three years. They suggested that the $300 million for capital equipment and $100 million for current account should be in the form of loans and the $100 million for drought assistance in the form of a grant. If this assistance were received, the Yugoslav balance of payments would be in equilibrium on capital account by 1953 and on current account by 1954. Mr. Black stated that the maximum amount of loans for capital equipment which the Bank could approve would be $200 million. Moreover, this should be applied over a period of four years. As for the rest ($200 million), this assistance should be in the form of grants.

---

[2] For documentation on IBRD President Black's visit to Yugoslavia in September 1950 and his conversations with Marshal Tito, see *Foreign Relations*, 1950, vol. IV, pp. 1448 ff.

Since that time the Yugoslav Government had approached the United States Government for $105 million assistance in connection with the drought. This amount was divided approximately evenly between food and raw materials. After receiving grant assistance for food totalling approximately $70 million, Yugoslavia presented a revised estimate of their needs for raw materials assistance which they estimated at $64 million. Of the $64 million approximately $24 million were for the last quarter of 1950 and $40 million for the first three quarters of 1951. The $40 million, which the Yugoslavs now estimate as their irreducible needs for raw materials assistance, must be considered as part of the $100 million which the Yugoslavs state is needed as a result of the drought. The second $100 million for current account assistance, the Yugoslavs have now cut down to $65 million. This must be added to the $40 million, making a total of $105 million current account assistance needed during the next two years.

Mr. Rosen estimated that, in fact, Yugoslavia will certainly need at least $75 million to $100 million current account assistance in addition to the capital loans from the International Bank. The raw materials needed by the Yugoslavs, he said, are more important to their economy than the food which we have given them. Moreover, the Bank feels that unless the Yugoslav deficit on current account is covered, further loans for capital equipment cannot be justified. In this connection, the Bank has asked the Yugoslavs to provide information on the effects on Yugoslav economy of their not getting the necessary current account assistance.

Mr. Rosen again stated that the Bank has told the Yugoslavs that unless their current account needs are covered on a grant basis, the Bank cannot go ahead with the capital development program. He went on to justify this position by saying that the Bank had reexamined Yugoslavia's current position, which they found to be deplorable. They estimate that Yugoslavia's obligations coming due during this year alone will be at least $30 million. These obligations consist primarily of repayments on the British loan and payments to Germany.

Mr. Rosen went on to say that the policy of further "belt-tightening" was not practical or acceptable to the Bank; that Yugoslavia was everywhere overextended and had already reduced its import needs to a bare minimum. Mr. Truesdell asked about the status of the French credit and Mr. Rosen replied that a $25 million credit had been agreed upon but that the French Government insists that this credit must be channeled through the International Bank. This credit is for investment goods.

Mr. Rosen stated that one of the primary difficulties the Bank had experienced in negotiating with the Yugoslavs was the practice

which the Yugoslavs followed of compartmentalizing the information which they presented to the Bank. When the Bank told General Velebit that, in order to undertake a rational consideration of Yugoslavia's needs, they must have a total picture of the Yugoslav economy, including their overall investment plans, foreign trade position, and credit position, General Velebit countered by saying that the State Department had told them "not to give the whole picture". Mr. Truesdell pointed out that General Velebit must have incorrectly interpreted the meaning of the *Aide-Mémoire* to the Yugoslav Government [3] in which it was stated that we would be willing to continue to discuss with the Yugoslav Government Yugoslavia's needs for raw materials obtainable only in the United States.

G[EORGE] E. T[RUESDELL]

[3] Regarding this *Aide-Mémoire*, see telegram 673 to Belgrade, Document 829.

## No. 832

868.10/1-1751

*Memorandum of Conversation, by Michael R. Gannett of the Office of Eastern European Affairs*

SECRET [WASHINGTON,] January 17, 1951.

Subject: Factors regarding provision of additional grant assistance to Yugoslavia

Participants: S/P—Mr. Joyce
EE—Mr. Truesdell
EE—Mr. Walker
EE—Mr. Rawson
EE—Mr. Gannett
IBRD—Mr. Rosen

After Mr. Rosen had outlined the position of the International Bank on the question of what further U.S. economic aid to Yugoslavia will be necessary (see Memorandum of Conversation, January 17, subject "Position of International Bank concerning Loans to Yugoslavia" [1]), Mr. Joyce stressed the importance felt by the White House, the Departments of State and Defense, and elsewhere in the Executive Branch of the Government that Tito receive the necessary assistance to meet present and future pressures placed on Yugoslavia by the Soviets and its satellites. He mentioned that in-

[1] *Supra*. The discussion summarized in this memorandum is a continuation of the conversation under reference.

creased thought is currently being given to the strength provided in the strategic area of southeastern Europe and Asia Minor by the total of 70 divisions possessed by Yugoslavia, Greece and Turkey (which, he said, are certain to fight for the defense of their countries if called upon to do so) and to how the strength of this area can be augmented. He also mentioned that Tito thinks it possible he will be attacked this spring and is now taking steps to increase the number of his troops from the present figure of 450,000 to 600,000. He stated the view that the Tito regime, composed as it is of men who in the first instance are nationalists, recognizes the necessity of making adjustments in its domestic, political and economic objectives, in order to meet the greater task of defending the country and itself, and added the view that the regime will probably be prepared to take the steps necessary to this end.

Mr. Joyce then asked whether, in view of these circumstances and in the light of United States legislation and of the domestic political scene in this country, it would be possible for the U.S. Government to furnish Yugoslavia with the large-scale economic assistance it now requires.

Mr. Truesdell replied that, judging largely from the experience gained during the enactment of the Yugoslav Emergency Relief Assistance Act of 1950, Congress most certainly would not regard favorably further appropriations for Yugoslavia unless the Tito regime were to take steps to place the Yugoslav economy on a sound basis. These steps are required under Public Law 897 (Yugoslav aid bill) and Mr. Truesdell stated that, strictly speaking, he questioned whether we should be providing assistance to Yugoslavia under the present Act, since it might be that the Yugoslav Government was not complying with the provisions of the Act. Mr. Truesdell further stated that it would be impossible to justify additional grant assistance without specific Congressional authority, . . .

In any case it appeared that Yugoslavia would require, as Mr. Rosen had observed, additional grant assistance before its economy could undertake the burden of serving additional loans. Congress had been willing in view of the defense considerations involved to provide grant relief to overcome the effects of the drought, an adverse factor beyond the control of the regime; but it appeared most probable that Congress would not view favorably additional assistance to surmount the chronic ailments of the Yugoslav economy or to augment Yugoslav defense capabilities unless Tito demonstrated his readiness to become a full and active partner in the Western defense effort. The other persons present were in general agreement with this view.

Mr. Truesdell added he believed that were Tito to take these steps, it would be possible, if certain obstacles were surmounted, for Yugoslavia to become a member of OEEC and receive ECA funds with which to sustain its economy. Mr. Joyce stated that it was quite clear from current information coming to the Department that the countries of western Europe regarded the preservation of the Tito regime as of the utmost importance to them.

Mr. Joyce then said that, as it appears it will be necessary for Tito to make certain political decisions regarding his relations with the West, which until now he has avoided for fear of provoking the USSR to aggressive action, the problem is how to ensure that Tito knows the United States cannot provide the economic assistance which he must have in order to meet present and future pressures from the Soviets unless he does make these decisions. Mr. Gannett said he would explore this problem. [2]

---

[2] At the Secretary of State's daily meeting with top Department officers on January 18, there apparently was considerable discussion of the issues raised by Rosen in his conference of the preceding day with Department officers. According to the summary record of the Secretary's meeting, "the Secretary asked Mr. Matthews to stir this matter up to see what could be done about it." (Secretary's Daily Meetings, lot 58D609)

## No. 833

768.56/1-1851

*Memorandum of Conversation, by Cloyce K. Huston of the Office of Eastern European Affairs*

TOP SECRET [WASHINGTON,] January 18, 1951.

Subject: Military Aid to Yugoslavia

Participants: Lord Jellicoe—British Embassy
EE—Mr. Huston

Lord Jellicoe came in today by appointment to say that he had now received instructions from the Foreign Office containing his Government's comment on the report of Tripartite Committee on Military Assistance to Yugoslavia. [1] He said he was rather inclined to pass the comment on verbally, as not only had events outrun the paper, but the Department had already received some of the British views piecemeal and many aspects of the problems raised in the paper seem somewhat academic in view of the lack of availabilities from which to draw aid for Yugoslavia.

---

[1] Regarding the Tripartite Committee on Military Assistance to Yugoslavia and its report issued in October 1950, see the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1482.

Lord Jellicoe then said that the British Foreign Office had indicated that it had already accepted the United States view on one of the principal recommendations of the Report, i.e., it had agreed with our view that no offer of arms should be made at the present time and the sending of a team of military experts to Yugoslavia should not now be proposed. The Foreign Office believed that the question of stockpiling was rather premature at this time when little or nothing was available in the way of supplies; they noted, however, that some technical difficulties might arise in connection with the use of Trieste for this purpose, as there was reason to suggest that it might not be prudent to convert Trieste into a *place d'armes*.

Referring to indications in the Tripartite Report that the French might have considerable supplies of arms available, particularly after MDAP supplies to France began to arrive, Lord Jellicoe said that he personally wondered if there might now be arms lying in France which could be made available to Yugoslavia. He added that time was passing, and it would be a pity if we were suddenly to find Yugoslavia in an emergency needing supplies which were lying idle in France. I told him that we had received no indication that the Yugoslavs had asked for substantial quantities of war matériel from France beyond those included in negotiations for the French-Yugoslav financial settlement, but if they should attempt to secure additional arms presumably the French would consult with the United Kingdom and United States Governments.

Lord Jellicoe then said that the official British estimates of satellite armed strength and the likelihood of satellite attack on Yugoslavia had recently swung nearer to what he understood to be the United States view. Information received from the new British Military Attaché at Belgrade indicated that the armed forces of Hungary, Rumania and Bulgaria had increased, both in men and in armor, to about the strengths mentioned by Tito in his recent speech. It was the British military view, however, that if a satellite attack were to take place it might be postponed until after the "summer maneuvers."

He concluded by saying that the Foreign Office would be glad to receive any proposals the Department might wish to make regarding an appropriate means of obtaining information regarding Yugoslav requirements in case of attack in order that the three Western countries may plan to meet those needs when they arise.

## No. 834

740.5/1-1751: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET PRIORITY WASHINGTON, January 20, 1951—4 p.m.

3470. For Spofford from Perkins. Fol (re Depto 419 Jan 17) [2] provided for ur background guidance at mtg Deputies Jan 22:

1. Fol is gen estimate of situation at this time which susceptible to rapid changes and varied interpretations:

(a) Tito regime has steadily altho cautiously improved its relations with Western Govts. This trend represents mainly attempt at self-preservation rather than any basic change in pol philosophy, and reflects appreciation of principal Yugo Commie leaders that even if they cld heal breach with USSR they wld not continue to hold power. There is no prospect of Tito's return to graces of Kremlin. All available evidence indicates that break is final and irrevocable.

(b) In order widen its support among Yugo people, overwhelming majority of whom are opposed to Communism, Tito regime has inaugurated number of ostensibly liberal changes in pol and econ system. These changes, however, have not changed basic structure of regime, which remains an anti-democratic dictatorial and repressive Commie regime dependent on its police power for continued existence.

(c) Tito regime has given every sign that it will continue to resist Sov pol, psychological and econ pressures, and will fight if Yugo is attacked. There is no solid evidence of Sov success in winning support among Yugos or in breaking Tito's grip on YCP and apparatus of Yugo Govt.

(d) USSR's objective in Yugo is elimination of Tito Govt and its replacement by regime subservient to Moscow. Sov policy for the time being seems to call for continuation of econ, pol, psychological, and subversive pressures short of open mil action either by Sov satellites or by USSR. But, if present rate of improvement in combat effectiveness of satellite armies continues, use of these forces to initiate invasion of Yugo will become serious possibility.

(e) Against satellite attack Yugo armed forces wld be able put up strong defensive fight which if prolonged wld require outside logistical support. They alone cld not withstand for long serious Sov attack.

(f) Extensive drought of 1950 materially reduced Yugo agricultural production and contributed to an already unsound econ situation which constitutes chronic strain on Tito regime. Further outside aid will probably be required, even if Yugos scale down overly am-

---

[1] Drafted by Gannett and Huston and cleared by Higgs, DRS, RA, WE, and S/ISA.

[2] Telegram Depto 419 expressed the need for an intelligence estimate and general policy statement on Yugoslavia in advance of a discussion of Yugoslavia scheduled for the Council Deputies' meeting of January 22. (740.5/1-1751)

bitious industrial investment program, in order enable Yugo econ reach point where it can sustain itself.

(g) USSR will spare no effort to exploit this situation by increasing efforts of its agents in espionage, subversion, sabotage, fomentation of labor unrest, and possibly by attempted assassination of Yugo leaders.

(h) Yugo security police probably will be able to maintain internal control even if econ crisis deepens; while impossible make firm estimate of longer-term effects drought under these circumstances, probability is that Tito's regime can survive period of present econ crisis, although in weakened condition.

(i) However, a softening of Yugo defensive capabilities and will-to-resist will possibly result from econ troubles and might be a factor in bringing on direct military attack. This factor alone, however, will not be decisive in Sov strategy, which will be dictated mainly by Sov estimate of world balance of power and of western reaction to attack on Yugo.

(k) [3] If Tito shld obtain substantial additional aid from west, his position both as party and national leader wld remain comparatively secure.

2. US policy on Yugo has as its basic objective sustain ability Yugo continue resistance to USSR, for these reasons:

(a) Sov success in destroying and supplanting Tito regime wld have tremendous psychological impact on Europe, wld cause renewal and intensification threats to internal and external security Greece and Italy, and wld represent additional blow to influence and morale of UN.

(b) Yugo is vital link in defense of eastern Mediterranean and Near and Middle East. To Sov bloc it is of strategic importance as approach for attacks into Greece and Italy and is important integral part of area which Sovs wld have to dominate to control eastern Mediterranean, Black Sea and Adriatic.

(c) Tito heresy represents rift in internatl Commie movement challenging Kremlin control of world communism as instrument Sov imperialism. While not now possible measure full potentialities "Titoism" as ideological factor weakening Sov power and influence thruout world, in any case Sov success in liquidating Tito wld have profound influence on elements in Sov orbit resisting absolute Kremlin control under inspiration Tito's example.

3. US Govt assistance to Yugo has been primarily econ. It has consisted of (a) relaxed policy on export licensing which has enabled Tito to import from the US certain 1-A and 1-B items needed to meet shortages and keep Yugo economy afloat; [4] (b) fa-

---

[3] A marginal handwritten notation in the source text indicates that no paragraph "j" was included in this message; "k" should have read "j", but no correction was made before the message was transmitted to London.

[4] For documentation on the relaxed policy on export licensing based on the policy directives contained in NSC 18/4 of November 17, 1949, see *Foreign Relations*, 1949, vol. v, pp. 854 ff. Concerning the origin and definition of the 1-A and 1-B lists, see *ibid.*, pp. 61 ff. NSC 18/4 is printed *ibid.*, 1950, vol. IV, p. 1341.

vorable attitude toward small IBRD timber equipment loan to Yugo and Yugo's $9 million in drawings from IMF; (c) direct credits through Eximbank of $55 million; (d) approval of $35 million loan to Yugo by Ger Fed Republic; (e) consultations with other western Govts to encourage them make favorable trading and credit arrangements for Yugo; (f) $69.4 million grant aid in form foodstuffs to help meet crisis brought on by 1950 drought. In addition US private relief organizations are providing foodstuffs from Govt surplus stocks of market value of over $15 million.

4. In pol field US has endeavored encourage process reorientation Yugo pol relations with non-Commie world and where possible facilitate solution differences between Yugo and its western neighbors in particular Greece as regards resumption normal dip and trade relations and Italy as regards question of FTT. US supported Yugo candidacy for representative on SC to assure it forum in which to demonstrate independence of and resistance to USSR and satellites.

5. US has given continuing attention to military implications of Yugo break with Cominform. Apparently definitive character of break, size and combat potential of Yugo armed forces and obvious strategic considerations make clear Yugo has become important factor in maintenance internatl peace and security in Eur. Conclusion was reached by US more than year ago that US shld look with favor on Yugo purchase of arms in US and other western countries in case Yugo Govt shld make specific requests. [5]

US believes NATO countries will recognize advantage to western defense of insuring that Yugo is denied to USSR and agree that for this purpose all efforts consonant with major objectives of European defense shld be made to enable Tito to maintain strength of his armed forces and resist aggression if attacked. Situation might arise in which NATO countries will have to face question whether group interests might require provision arms to Yugo in emergency or otherwise take account of Yugo situation in overall planning for Eur defense.

---

[5] The source text indicates that the following additional language was included in this section as originally drafted but was subsequently deleted and not included in the text as approved and transmitted:

"and if Yugo position as regards military supplies is clearly deteriorating; (b) it wld be in interest of US to provide Tito, if Yugo is attacked, with military aid in consonance with other US commitments and requirements existing at that time.

"Yugo Govt has made no approach to US for military aid and none has been offered. Since Tito has publicly indicated, however, that he will have to turn to West for arms if attacked, we have been considering means whereby we can obtain info re Yugo military establishment and verify its requirements in case of attack. Planning to meet Yugo needs will be extremely difficult unless such info is forthcoming."

In view weakening influence which Yugo econ situation has on Yugo ability resist aggression and despite overextended Yugo payments position US believes NATO countries shld individually take steps within their capabilities to extend to Yugo essential econ assistance particularly by facilitating Yugo imports necessary raw materials. [Perkins.] [6]

ACHESON

[6] At the meeting on January 22, the Council Deputies stated that Yugoslavia's defection from the Cominform was of the utmost importance and stressed the need to maintain the break and render economic assistance. (Telegram Depto 446 from London January 23, 740.5/1-2351)

## No. 835

868.49/1-2251

*Memorandum by the Secretary of State* [1]

[WASHINGTON,] January 22, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Request of the Yugoslav Ambassador for an appointment

The Yugoslav Ambassador, Vladimir Popovic, has requested an appointment with you for the purpose of personally expressing the gratitude of the Yugoslav Government and people for the program of emergency food assistance to Yugoslavia. Now that Congressional action has been completed with regard to emergency relief assistance to Yugoslavia, it is believed that it would be helpful from the policy point of view if you could find time to accede to his request for a brief meeting. It is not anticipated that Congressional reaction would be adverse in view of the Ambassador's purpose, of which the press would be informed following his call, in making this request for an appointment. [2]

[1] Drafted by Gannett.

[2] At the end of December 1950, Yugoslav Ambassador Popović requested the Department of State to arrange an appointment for him to call upon President Truman for the purpose of personally expressing the gratitude of the Yugoslav Government and people for the program of emergency food assistance to Yugoslavia. A request for such an appointment was set forth in a memorandum of December 29, 1950, from the Secretary of State to the President, but the White House staff replied negatively. The matter was subsequently taken up by Secretary Acheson during his meeting with the President on January 15. According to a memorandum of conversation by Special Assistant Battle, the President told the Secretary that the White House staff had refused the original request for an appointment for Popović because it was thought that such a meeting would have an adverse effect upon an appropriation request for Yugoslavia then pending in Congress. The President indicated to

*Continued*

It is believed that such a gesture would help to maintain the increased accessibility which Ambassador Allen has enjoyed in recent months to Marshal Tito. This access to the Marshal has been of great advantage to us in making our views fully known to the Yugoslav Government and in obtaining an adequate expression of Yugoslav views. A gesture of this sort should also have a beneficial effect on public morale in Yugoslavia and should help along the trend toward closer collaboration with the United States and with the United Nations which the Yugoslav Government has already shown; and to this end it would also be helpful if the press were informed by the White House of the purpose of the Ambassador's call, upon his departure.

It is recommended that you see the Yugoslav Ambassador in the near future if it is at all possible to fit the meeting into your schedule. If you agree, it is suggested that the time set for the appointment be communicated by the White House to the Department for notification to the Yugoslav Embassy. [3]

DEAN ACHESON

---

the Secretary that he was prepared to receive Popović, but he asked the Secretary to examine the possible reaction in Congress to such a meeting. (601.6811/1-1551)

[3] The memorandum printed here was taken up by Secretary Acheson at his meeting with the President on January 22. According to the Secretary's brief memorandum of conversation, the President agreed with the proposal and promised to make an appointment with Popović as soon as possible. (Secretary's Memoranda, lot 53D444) For the record of the President's conversation with Popović on January 26, see the memorandum by Neuberger, Document 846.

---

## No. 836

768.5/1-2451: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, January 24, 1951—3 p.m.

956. Kardelj did not request military assistance during our discussion today. [2] In fact, he stated clearly that he was not authorized by his government to do so.

His remarks, while entirely friendly, were grim and hesitant in contrast with readiness with which he spoke yesterday. It is obvious that a serious and possible critical debate is taking place inside

---

[1] Repeated to Paris, London, and Moscow.

[2] In telegram 952 from Belgrade, January 23, Allen reported Kardelj's views on Korea, collective security, and the United Nations which were expounded during a 2-hour conversation at the Foreign Minister's residence on January 23. (795.00/1-2351)

the politbureau on question of seeking economic and military assistance from the West, particularly from US. I judge from Kardelj's demeanor that important cabinet and/or politbureau meeting continued most of last night.

Kardelj said he would probably wish to talk with me and my British and French colleagues within a few days concerning military and economic questions, which he considered inseparable since Yugoslav Government economic difficulties were primarily caused by necessity for heavy military expenditures and manpower utilization. He said actual negotiations on this subject would take place in London, Paris, and Washington, since Yugoslavs felt it extremely important to avoid leak to Cominform which might result from conversation in Belgrade and frequent use of cables. He said conversations here would therefore be merely to keep 3 Ambassadors informed.

I think it likely that Kardelj had intended to open serious negotiations with me to demand [military assistance, but] that last night's meeting caused change of plans. In response to my specific question, he said our discussions yesterday and today should be considered as solely for purpose of examining Far Eastern situation. His opening remark today was that latest Chinese communication to Indian Ambassador in Peking appeared to have changed entire Far Eastern situation and he hoped US might not feel it necessary to insist upon our resolution.

He then said IBRD had informed Velebit of necessity for Yugoslavia to obtain grant to cover its payments deficit of approximately 130 million dollars during next two years. He said that while economic and military questions must be discussed "in separate framework" he hoped personally that military supplies from US, if requested, might be obtained in same way as those now being obtained from France, i.e., through extension of credit.

I commented merely that decision whether to seek further economic aid and/or military assistance were entirely for Yugoslav Government to decide. I added personal opinion that either would present major difficulties but that, as in case of food request, I did not wish to influence Yugoslavs' decision or discourage it by friendly but frank reference to major difficulties. I made no reference to type of difficulties I had in mind, and Kardelj made no inquiry. He terminated conversation by recalling that he was unauthorized to speak on substance.

My guess is that stern necessity will force Yugoslavs to seek direct military and economic aid from US, although certain Yugoslav officials find decision highly unpalatable and that Tito himself is afraid of giving USSR pretext for attack.

ALLEN

## No. 837

868.03/1-2651

*Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Bonbright)*

CONFIDENTIAL [WASHINGTON,] January 26, 1951.

Subject: Food Assistance for Yugoslavia [1]

Participants: Mr. Vladimir Popović, Ambassador, Federal People's Republic of Yugoslavia
Mr. Milenko Filipovic, M.P., Economic Counselor, Yugo. Embassy
Mr. Bonbright, EUR
Mr. Higgs, EE
Mr. Truesdell, EE

At the request of the Department, the Yugoslav Ambassador called today and was handed first an *Aide-Mémoire* outlining the program of foodstuffs and transportation costs which are being allocated under the Yugoslav Emergency Relief Assistance Act of 1950. The *Aide-Mémoire* listed the commodities planned for supply estimated to cost $34,200,000 and stated that the balance of the funds, namely, $3,600,000 was being allocated to meet expenses of ocean transportation and certain other expenses incident thereto. The *Aide-Mémoire* states that consideration has been given to the adjustments requested by the Yugoslav Embassy on January 10, 1951 and that certain other adjustments have been made as result of price increases since the presentation of the program to the Congress. It was stated that further adjustments may be necessary in the light of changing prices, availabilities and similar factors. [2]

The Ambassador stated that his Government welcomed those adjustments which had been made but wished to emphasize that there was a great need in Yugoslavia for additional sugar which was considered of first priority. The Ambassador was advised that while it had been possible to meet in part the Yugoslav request for increased fats it had not been possible to provide additional sugar at the present time. The Ambassador then asked if it might be possible to explore the sugar situation further. He was advised that the Department could not provide any further guidance at the moment in view of the present sugar market.

---

[1] Concerning the Yugoslav Emergency Relief Assistance Act of 1950, which allocated $37.8 million for the purchase of foodstuffs to help relieve the effect of the drought in Yugoslavia during the fall of 1950, see Document 826.

[2] The *aide-mémoire* summarized here, dated January 26, is in file 768.5-MAP/1-2651.

With respect to the question of "other adjustments" which might have to be made in the program, the Ambassador was told that this language referred to possible further price increases or decreases which would affect the commodities supplied in view of the limitation of available funds. In response to a question by the Ambassador as to when shipments would start, the Ambassador was advised that the Department of Agriculture hopes to begin shipments possibly next week. The Ambassador stated that representatives of the Embassy would contact the Department for further details on the program.

The Ambassador was then handed a note which made reference to this Government's *Aide-Mémoires* of November 22, 1950 and January 26, 1951 [3] concerning the provision of foodstuffs to Yugoslavia. The note stated that this assistance was intended to prevent human suffering and any impairment of the ability of the Yugoslav people to defend themselves against aggression. The note went on to state that in view of the traditional friendship between the two countries the people of the United States are concerned that both the Yugoslav people and Yugoslavia as a nation should enjoy freedom and that accordingly the Government of the United States "wishes it to be clearly understood that the provision of assistance for purposes stated above should not be interpreted as implying endorsement of measures undertaken by the Government of the Federal People's Republic of Yugoslavia suppressing or destroying religious, political or economic liberty in Yugoslavia." [4]

The Ambassador commented by asking why it was necessary to include the latter statement in a note when it had already been included in the Bill. He said that he thought Ambassador Allen had already brought this to the attention of his Government in the agreement executed in Belgrade. The Ambassador was told that this note had been presented to him as required by the Act and that it was believed that this subject had not been included in the agreement negotiated in Belgrade. The Ambassador stated that he thought this might have a harmful effect on the Yugoslav people. In response he was told that while we appreciated his point of view there was no alternative under the Act but to notify the Yugoslav Government. The Ambassador closed this matter by stating his regret that the United States Government was obliged to mention this matter in this connection.

Before taking his departure, Ambassador Popovic referred to his conversation with Mr. Perkins of yesterday and his promise to provide certain data and information or give a comprehensive picture

---

[3] Neither printed.

[4] No copy of this Yugoslav note has been found in Department of State files.

of the economic condition of Yugoslavia.[5] He presented to Mr. Bonbright a folder containing the following information:

Balance of payments for 1951–1953.
Capital goods imports, with a summary.
A summary of the import program for machinery and equipment proposed to be financed by the IBRD.

The Ambassador stated that this information was the essence of the material presented by his Government in connection with negotiations with the IBRD.

J[AMES] C.H. B[ONBRIGHT]

[5] Ambassador Popović called on Assistant Secretary of State Perkins on January 25 to offer whatever information might be helpful in connection with Perkins' prospective visit to Yugoslavia in February and to discuss in general terms the current status of the Yugoslav financial deficit. (Memorandum of conversation, January 25, 868.00R/1-2551)

## No. 838

033.1100/1-2651: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET PRIORITY BELGRADE, January 26, 1951—3 p.m.

976. On occasion of my presentation of Congressman Kennedy [2] to Tito last night, cordial and frank conversation took place which brought out several new points.

In general response to Kennedy's inquiries regarding Yugoslav Government's attitude on Korea, rearmament of Germany, Yugoslav need for arms, etc., Tito made significant remark that Yugoslav attitude would be made clearer "very soon". I asked how this would be done. He smiled and said he thought I would understand. (This was doubtless reference to my recent talks with Kardelj reported in mytels 952, January 23 [3] and 956, January 24 [4]).

Kennedy pointed out that reluctance of Yugoslavia and other countries to support adequately US efforts on behalf of collective security in Korea was likely to turn Americans towards isolationism. Tito replied that collective security is world-wide problem and might fail if undue effort were expended in peripheral areas.

[1] Repeated for information to London, Paris, and Moscow.

[2] Senator John F. Kennedy visited Yugoslavia during a tour of seven European countries in late January and early February 1951. According to Ambassador Allen, Kennedy's visit with Tito was "highly successful". (Telegram 975 from Belgrade, January 26, 033.1100/1-2651)

[3] Not printed, but see footnote 2, Document 836.

[4] *Ibid.*

Kennedy asked whether Tito wanted American arms. Tito said Yugoslavia had moral right to seek arms from US or anywhere else since Russia was arming his neighbors, but he added that question of arms was delicate one since he must avoid provoking Cominform. As for needs, Tito mentioned tanks, jets and anti-aircraft. Kennedy referred to anti-tank weapons such as bazookas. Tito said he had some but thought bazooka was too short-range weapon to be very effective.

In response to inquiry re human liberty, Tito said restrictions would be relaxed when present emergency was over.

Tito said he did not expect attack on Yugoslavia this spring but that he was no prophet. He said he could put not less than 2 million men under arms, depending on amount of equipment he could get. He emphasized that in case of attack he would not need foreign troops. "I have plenty of men. With arms, we can do all that is necessary", he added.

Tito favored Big Four meeting.[5] Kennedy asked whether we should negotiate with USSR until we were stronger militarily. Tito said Russia was well aware of our ability to fight long war and would respect our strength. Tito said he thought German problem should be settled politically before we rearmed western Germany. He did not specify his reasons, but appeared to regard re-arming western Germany prior to political settlement as dangerously provocative. (I suspect he also has general left-wing suspicion of revival of Fascism in western Germany).

I asked whether Tito had any concern that Big Power deal might be made at Yugoslav expense. He laughed off question by saying that no such deal would be of any value since Yugoslavia would not recognize it.

At end of conversation Tito made pleasant but pointed appeal to Kennedy not to turn isolationist.[6]

ALLEN

---

[5] This is a reference to the possibility of a meeting of the Council of Foreign Ministers which was under discussion at the Four-Power Exploratory Talks in Paris.

[6] A more detailed account of Kennedy's conversation with Tito was transmitted to the Department of State in despatch 553 from Belgrade, January 26. (033.1100/1-2651)

## No. 839

468.509/1-2251: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET WASHINGTON, January 26, 1951—6 p.m.

3543. Excon. Embtel 4048 Jan 22 rptd Belgrade 356. [2] Brit Emb recently informed Dept that Brit rep COCOM Paris had been instructed to inform COCOM that Brit intended to allow freer export both munitions and strategic materials and that although they unlikely be able provide Yugo with munitions items they do intend license exports of Internatl List one goods with few exceptions. Statement to this effect was made to COCOM Jan 8.

Dept now informing Brit Emb in response its enquiry that Brit intentions announced COCOM are in accord with US position and appear consistent with COCOM decision Mar 10 [*11*], 1950.[3] US export control policies for munitions are set forth in separate tel. [4] US policy re IL one goods continues to permit exports to Yugo on basis case-by-case review when export appears to be in the natl interest. In practice rejections have been infrequent and confined principally to cases involving quantities in excess of essential requirements. [5]

ACHESON

---

[1] Drafted by Huston and cleared with RA, E/ER, the Munitions Board, and the Department of Commerce. Repeated to Belgrade and Paris.

[2] Telegram 4048 reported that prior to the meeting of North Atlantic Council Deputies on January 22, the British representative asked the U.S. Delegation whether the Department of State had formulated a policy on relaxing export controls to Yugoslavia. The French representative noted that the French and British were agreed on the desirability of such action. (468.509/1-2251)

[3] The reference here is to the decision of the Coordinating Committee (for International Export Controls) for a liberalized application of controls on exports of strategic items to Yugoslavia. See footnote 6, *Foreign Relations*, 1950, vol. IV, p. 70.

[4] Circular telegram 433 of January 26 stated that "time has come, in view urgency taking all feasible measures fortify Yugo will and ability resist Sovs, to permit . . . the export of strictly mil items provided they (a) wld replace or augment to a reasonable degree weapons already in Yugo hands or (b) involve types of mil equip not now possessed by Yugo and are for training purposes." (468.118/1-2651) A formal statement to the Coordinating Committee announcing the change in U.S. export license policy was authorized by the Department of State in telegram 4049 to London, February 2. (468.118/1-2951)

[5] Telegram 1002 from Belgrade, January 2, expressed the hope that this policy would be implemented quickly and effectively since this policy would be helpful in strengthening Yugoslavia's ability to discourage or resist attack. (468.118/1-3051)

## No. 840

740.5/1-2651: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

TOP SECRET LONDON, January 26, 1951—7 p.m.

Depto 457. Political WG yesterday produced following draft agreed minute on Yugoslavia [2] (Depto 439 [3]) for discussion by CD February 5 [4] after consideration by governments: *begin verbatim text.*

"I. As result discussion held 22 January 1951 general agreement was reached by CD on following points:

"(A) Breach between Government of USSR and Government of Yugoslavia under Marshal Tito now so wide as to be virtually unbridgeable.

"(B) Strategical advantages deriving from this breach are considerable. Its continued existence is also matter of political importance to Western Powers, as example successful national resistance to Soviet imperalism.

"(C) Soviet Government can be expected to continue, and probably intensify, economic pressure on Yugoslavia, and in particular to attempt to capitalize effects serious drought on Yugoslav economy. In addition to direct economic pressure Soviet Government will undoubtedly continue employ all other forms cold warfare against Tito Government.

"(D) Tito Government is at present in effective control of international political situation. This control might however be prejudiced either by deterioration in economic situation or by too rapid reorientation Yugoslav foreign policy.

"(E) Most desirable that Western Powers give economic assistance to Government Yugoslavia to best their ability. But in order avoid embarrassing Yugoslav Government would be preferable for Western Powers to await specific requests for economic assistance from Tito Government rather than to take overt initiative in offering such assistance.

"II. Preliminary exchange views took place on question of giving military support Yugoslav Government in advance any open attack, either from Soviet Russia or satellite states.

---

[1] Repeated to Belgrade, Paris for General Schuyler, and Rome.

[2] The draft paper under reference was subsequently circulated as document D-D(51) 29.

[3] Telegram Depto 439 reported that the Council Deputies, at their meeting on January 22, agreed to discuss a working group paper on Yugoslavia at their next meeting. (740.5/1-225)

[4] The discussion of the paper under reference apparently did not occur until the 9th meeting of the Council Deputies on February 12; see telegram Depto 502 from London, Document 859.

"UK deputy placed on record view his Government that Yugoslavia constituted one of danger points for 1951. Information received that as result Soviet action, strength and efficiency armed forces neighboring satellite powers had recently been built up to such effect that military superiority Yugoslavia previously enjoyed vis-à-vis her neighbors had been progressively reduced. In view British Government direct attack by Soviet Russia unlikely. Also unlikely that attack by one or more satellite powers could be launched until after completion 51 training season.

"This information re relative strengths respective armed forces confirmed by information received in other countries. In US view, Yugoslav armed forces would put up strong defensive fight against satellite attack but external support in equipment and supply would be necessary if fighting prolonged.

"In order prepare for possible eventualities view was expressed:

> "(A) That steps should be taken to remove any existing formal barriers to export to Yugoslavia of strategic raw materials, equipment and supplies.
>
> "(B) That would be desirable to facilitate procurement by Yugoslav Government such raw materials, equipment and supplies.
>
> "(C) That in certain circumstances might be necessary reach rapid decision as to whether would not be to advantage NATO powers as whole to make available to Yugoslav Government these raw materials, equipment and supplies, even if this might result in some delay in completion their own rearmament plans, provided over all defense plan NAT powers was not thereby placed in jeopardy. [5]
>
> "(D) That would be useful for NAT Governments to have estimate probable requirements Yugoslav armed forces to deter or meet satellite attack, and to give consideration to steps that might be taken to meet these requirements.
>
> "(E) That NAT Governments should give consideration to steps which might be taken by them in event of open attack on Yugoslavia.

"III. Agreed there should be further discussions both on points on which general agreement reached and points on which only preliminary exchange views has taken place, after each deputy had had opportuni.y consult his government".

1. Incident of interest occurred during discussion paragraph II (C) when it became obvious French representative was not thinking in terms extending military assistance to Yugoslavia in grant form.

---

[5] In telegram 3648 to London, February 3, the Department of State noted that the draft minute covered a commendable area of agreement and requested that when it was time to approve of the minute the U.S. Delegation should state that the conclusion may soon become inescapable that, in the interest of North Atlantic area security, the NATO governments should recognize the necessity to make provision in their rearmament programs for meeting critical Yugoslav arms requirements and should also ready themselves for immediate action in the event of Soviet or satellite attack on Yugoslavia. (740.5/1-2651)

He did not interpose objection to inclusion this paragraph but was afraid it might be misconstrued by some governments to mean that suggestion being made to reapportion US aid, resulting in gain for Yugoslavia and loss for NAT countries. All representatives present seemed satisfied with explanation that only possible effect on NAT defense effort might be temporary slow up in deliveries rather than depletion supplies and equipment for NAT countries. Do not know whether line of thought of French representative is local view or in fact reflects French Government thinking. Paragraph II (E) was proposed by Italian representative who had in mind steps further than those which might be taken by UN.

All agreed special security precautions should be taken to prevent leaks to public or any other governments re NAT discussion Yugoslavia.

While above naturally reflects lowest common denominator of views we believe it incorporates basic elements of US policy as given in Deptel 3470.[6] Despite informal and presently unbinding form of paragraph II lettered paragraphs therein reflected views which each working level representative thought his government could substantially accept. Unless seriously watered-down by governments, paper should reflect considerably wider area of agreement than we would have expected.

[SPOFFORD]

[6] Document 834.

## No. 841

768.5/1-2651

*Memorandum by the Assistant to the Secretary of Defense for International Security Affairs (Burns) to the Special Assistant to the President (Harriman)* [1]

TOP SECRET WASHINGTON, January 26, 1951.

Subject: Military Assistance Programs for Yugoslavia

1. This memorandum will advise you of the status of the above subject.

2. Heretofore approved policy (NSC 18/4 [2]) calls for, in consultation with France and U.K.:

a. Facilitating arms purchases by Yugoslavia currently.

[1] A copy of this memorandum was sent to Matthews.

[2] For text, see *Foreign Relations*, 1950, vol. IV, p. 1341.

b. Furnishing arms assistance when an emergency occurs in Yugoslavia.

The Department of State is now drafting a revision of NSC 18/4 further developing the above policy along the lines recommended by the Joint Chiefs of Staff and outlined below.

3. As a result of NSC 18/4, a working-level committee of French, U.K., and U.S. representatives drafted, during October 1950, a plan for stockpiling in Europe estimated Yugoslav emergency matériel needs, for quick delivery when the emergency occurred. The three Governments are now considering the committee report. [3]

4. In recent actions, the Joint Chiefs of Staff have recommended:

a. Acceptance of the tripartite committee report.
b. Initiation of stockpiling as soon as possible.
c. Inclusion in FY 1952 MDAP funds requests of $160 million for this purpose. The JCS have made the determination as to Yugoslavia's strategic importance to the U.S. as required by the MDA act.

5. As regards procurement of matériel for the stockpile, the Joint Chiefs of Staff have recommended, in the light of present circumstances, a priority equal to that of the NATO countries. In view of current programs, no significant quantities of U.S. equipment would become available from current production until January 1952. Matériel for the stockpile will therefore be drawn from the following sources:

a. Excess U.S. items.
b. Soviet matériel captured in Korea. Small, but useful, quantities can be made serviceable. Yugoslav forces now have, and apparently can maintain much Soviet matériel.
c. Captured German matériel in France and Norway, excess to their needs. Yugoslav forces also have quantities of such matériel. Appreciable quantities are available, although some French holdings might not be released until certain MDAP deliveries scheduled for April 1951 are made to France. The matter of release of this matériel to the U.S. for Yugoslavia as a measure of mutual aid or on other terms has yet to be worked out by the Department of State.
d. British matériel owned by Canada and becoming surplus to Canadian needs as a result of U.S. equipment purchases.

6. A fairly good stockpile can probably be assembled from the above sources. If when the emergency arises circumstances warrant and permit, additional quantities can probably be made available by diversions of matériel in MDAP pipelines.

---

[3] Regarding the Tripartite Committee on Military Assistance to Yugoslavia, including information on their final report which was issued in October 1950, see the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1482.

7. As regards certain statutory requirements (a bilateral agreement, consultations with Congress and with the NATO countries) stockpiling action with FY 1951 funds poses no security problem since these requirements need be met only when the emergency occurs or is imminent, and the matériel is actually transferred. It is not expected that FY 1952 fund requests will identify a Yugoslav program, but will permit such a program within its framework.

J.H. BURNS

---

## No. 842

868.03/1-2751: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State*

SECRET BELGRADE, January 27, 1951—3 p.m.

982. Your 721. [1] Have discussed with Yugoslavs manner in which they propose to meet needs peasants outside ration system and believe they are making honest effort to distribute supplies equitably. Assume "equitably" does not imply each person receive equal supplies. There is no question but that industrial workers need more food in winter months when peasants are comparatively inactive.

Government has 3 ways of providing for peasants in need:

(1) When welfare investigations established fact they have less than sufficient for their needs.

(2) Peasants often take employment during winter months in which they are given ration cards.

(3) Peasants sell surplus products and are given coupons to buy flour, corn, sugar, fats, dried eggs or beans, et cetera at controlled prices.

Investigations to date do not reveal widespread suffering among peasants, nor show their needs are not being met. Peasants have always lived on low subsistence level, and in this period of scarcity apparently are receiving their share of scarce supplies. In view of fact smaller quantity sugar being furnished than the acknowledged need (Deptel 693, Embtel 979 [2]), we would not be in strong position press question concerning distribution of quantity available to peasants.

---

[1] Telegram 721 to Belgrade, January 24, requested the Embassy's views and comments on the progress of the Yugoslav emergency food assistance program. The telegram observed that Congress was primarily concerned with the effects on the food situation of the Yugoslav collectivization policy and other factors such as the shortage of consumer goods which reduced the incentive for peasants to produce foodstuffs. (868.03/1-851)

[2] Neither printed.

Yugoslav pressure for collectivization had already relaxed before US aid program started, due to realization by Yugoslav Government that it was over-extended in this direction. US program has not had any appreciable effect on long-range Yugoslav Agricultural policy, nor is it realistic to expect Yugoslav Government to make any major change in its collectivization policy because of our aid program.

ALLEN

---

## No. 843

*Editorial Note*

The French Prime Minister, René Pleven, arrived in Washington on January 29 for a series of three meetings with President Truman and Secretary of State Acheson. During Pleven's conversations with the President, the subject of Yugoslavia was not discussed. However, according to a memorandum by Acheson's Special Assistant Lucius D. Battle, Acheson discussed Yugoslavia with Pleven during an informal meeting on the night of January 29 but no record of this conversation has been found in Department of State files. In the final communiqué issued at the conclusion of Pleven's visit, Yugoslavia was not mentioned nor was it included in the Department of State report to the National Security Council (NSC 105) of February 23, entitled "Results of the Conversations Between the President and the French Prime Minister." For documentation on Pleven's visit to Washington, see Documents 139 ff.

Two months later, the French President, Vincent Auriol, accompanied by Foreign Minister Robert Schuman, visited Washington for conversations with President Truman and Secretary Acheson. The main subject was the Far East and once again Yugoslavia was not discussed in the formal meetings which ended on April 2. For documentation on Auriol's visit, see Documents 156 ff.

## No. 844

768.5/1-2951: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

TOP SECRET WASHINGTON, January 29, 1951—2 p.m.

739. 1. Dept approves gen tenor your remarks in conversations Kardelj reported in urtels 952 Jan 23 rptd Paris 134 London 55 [2] and 956 Jan 24 rptd Paris 135 London 56. [3]

2. If subj mil aid is raised by Kardelj or other high Yugo official, suggest you fol points designed to ensure Yugo Govt understands necessity for US and other Western Govts know in advance amt, character and timing of Yugo mil needs in case of Sov or satellite attack:

(a) Major preoccupation US Govt is fulfilment its share responsibilities for building up strength of free world to preserve peace and resist aggression under principles UN Charter. Dept has noted declarations Yugo intentions to support UN efforts and to look to UN for aid if attacked. It has accordingly considered that in event of mil attack directed against and resisted by Yugo US shld be prepared, together with other govts supporting UN action, provide to Yugo such mil supplies as can be made available in light of then existing priorities, availabilities and other relevant factors.

(b) Unless Yugo's specific needs can be intelligently anticipated far enough in advance for consideration in current production programs, possibilities of meeting such needs promptly and effectively will be seriously reduced. Technical characteristics of Yugo armament, moreover, will present many special problems in production and supply action. Shld Yugo arms requirements become known only after attack is in progress, costly and possibly disastrous delay might occur before useful assistance could be supplied.

(c) If Yugo Govt desires US and other Western Govts make in advance such preparations as they can to provide effective arms assistance in case of Yugo resistance to aggression, it presumably will recognize high desirability of ensuring that as much pertinent info as possible be made available to them at earliest practicable date, either through Western service attachés now accredited to Yugo Govt, staff talks or by any other feasible means. It should be emphasized that mere tabulations or lists of needs alone will not suffice but must be discussed and studied on basis present equipment stocks, timing of production and deliveries, and other pertinent factors.

(d) Since Yugo needs must be reconciled with requirements for defense of NATO area, US Govt wld want to consult with UK and Fr re amt, form and priority of Yugo defense needs.

---

[1] Drafted by Huston and cleared with Matthews, Bonbright, EUR, S/ISA, and Defense. Repeated for action on paragraph 3 to Paris and London.

[2] Not printed, but see footnote 2, Document 836.

[3] *Ibid.*

(e) Shld Yugo Govt not find it practicable to provide such info it will be very difficult to plan production in such manner as to make it reasonable to expect that effective assistance could be contributed on short notice in case of attack.

3. Dept wld appreciate opinion Embs Belgrade, London, Paris whether Brit Fr Govts and their Ambs Belgrade shld be apprised of nature this instr now or some later stage. [4]

ACHESON

[4] In telegram 1004 from Belgrade, January 31, Ambassador Allen saw no objection to informing the British and French, but considered it important for security reasons to keep the number of cables on this subject to a minimum. (768.5/1-3051) The Embassy in London strongly recommended, in telegram 4180, January 30, that the British and French Governments and their ambassadors in Yugoslavia be informed of these instructions. (768.5-MAP/1-3051) Instructions to this effect were sent to London in telegram 3618, February 1, and repeated to Paris and Belgrade. (768.5-MAP/1-3151)

## No. 845

768.00/1-2951: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, January 29, 1951—midnight.

990. Judging from my recent talks with Tito, Kardelj and other Yugoslav officials, Yugoslav high command appears to have convinced itself that next Cominform attack is more likely to be against West Germany than against Yugoslavia. Yugoslavia officials believe Kremlin would make German operations appear as unification measure instituted by Germans themselves, thereby avoiding clear-cut case of aggression against independent country. Yugoslavs think operations in Germany could begin at any moment but time probably would depend on developments in Far East.

Eisenhower's visit to Europe [2] is welcomed as stiffening Europe's will to resist, but Yugoslavs believe public discussion of rearmament in advance of concrete results increases danger of hostilities in Europe during 1951.

Insistence by Kardelj and Tito to me that aggression means attack against "independent country", and Tito's belief that four-power political settlement of German question should precede German rearmament causes me to suspect that Yugoslavs are building up position to justify their neutrality if Germany becomes

[1] Repeated to Paris, London, and Moscow.

[2] For documentation on Eisenhower's trip, see vol. III, Part 1, pp. 392 ff.

"second Korea" and fighting is limited to Germany. If it spreads, I believe Yugoslavs are prepared to join, whether Yugoslavia itself is attacked or not.

During talk I had with Kardelj, Mates and Prica two days ago, Mates commented that Yugoslavs were pleased that US had reacted so promptly, effectively and persistently in Korea, even though Yugoslav representative in UN had not always voted for our measures and might not in future for purely Yugoslav reasons. Prica expressed confidence that situation in Far East would be decided by military situation and that UN military success would determine UN political achievements. Foregoing is of course directly contrary to Tito's repeated suggestion during past two months that UN forces should withdraw from Korea. Yugoslav views on Korea tend to vary somewhat with military situation. I could not avoid reminding Kardelj (Embtel 628, December 5, 1950 [3]) that I had pointed out previously that Americans were not accustomed to withdraw, once we had undertaken an operation, even though going might be tough. Kardelj said "your steadfastness is greatest reason for our confidence."

ALLEN

[3] Not printed.

## No. 846

611.68/1-3051

*Memorandum by Egon Neuberger of the Division of Research for USSR and Eastern Europe to Michael R. Gannett of the Office of Eastern European Affairs*

CONFIDENTIAL [WASHINGTON,] January 30, 1951.

Subject: Meeting between President Truman and Yugoslav Ambassador Popovic [1]

In accordance with your telephone request of January 29, there are outlined below the main points of the meeting between President Truman and the Yugoslav Ambassador Popovic, held on January 26 in the Executive Offices of the President. Those present were: President Truman; Ambassador Popovic; Mr. Simmons, Chief of Protocol of the Department of State; Dr. Brunner, First Secretary of the Yugoslav Embassy, acting as interpreter for the Ambassador; and Egon Neuberger, acting as interpreter for the President.

[1] Regarding the steps leading to the scheduling of this meeting, see the memorandum from the Secretary of State to the President, Document 835.

The meeting opened with an exchange of courtesies and general remarks on the history of the Yugoslav struggle for independence. The Ambassador thanked the President and the people of the United States for the assistance already extended to Yugoslavia in time of need. The President replied that it is our policy to help all people in need and to alleviate starvation wherever it occurs. The Ambassador then made a lengthy statement explaining why assistance has been needed and is still necessary. The two main points he brought out were: (1) the drought has very seriously decreased the food supply, and (2) Yugoslavia finds itself in the unfortunate position of being forced to support a large army which requires a diversion of funds and labor, with the consequent lowering of the standard of living. Nevertheless, Yugoslavia has built up an army of over thirty divisions, which is more than all the rest of Europe can muster at the present time. The Ambassador also asked the President to keep Yugoslavia's need in mind, as the continued good will of the United States is necessary in the solution of Yugoslavia's economic problems, including negotiations with the International Bank and Western European countries. The sense of the President's relatively brief reply on this point was that he has a continuing interest in Yugoslav problems and that he is now considering these problems with the Secretary of State. This concluded the substantive part of the conversation. Both participants agreed that continuously improving relations between the two countries are desirable and possible, and the meeting was terminated with the expression by both of a desire to work for world peace.

---

## No. 847

768.5-MAP/1-3151: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State* [1]

TOP SECRET LONDON, January 31, 1951—4 p.m.

4198. Cheetham told Embassy officer today that Milovan Djilas, currently on visit to London, [2] has made direct Yugoslav arms re-

---

[1] Repeated to Paris and Belgrade.

[2] Yugoslav Minister Without Portfolio, Milovan Djilas, privately visited Paris and London in late January and early February. In his telegram 1028, February 5, Ambassador Allen expressed the suspicion that Djilas was conducting talks with extreme left-wing members of the British Labor Party which were not being reported to British governmental authorities. Allen added:

*Continued*

quest to Attlee and Sir Andrew Noble, Assistant Under Secretary of State. Djilas spoke of Yugoslav desire for certain arms, machinery, raw materials and license rights for manufacture arms. Request was couched in general terms without indication amount or specific nature of material Yugoslavs envisaged. Djilas indicated Yugoslavs would expect to finance purchases through some form long-term credit. He suggested that if foregoing were agreeable in principle Yugoslavs would send "military and other experts" to UK for detailed discussions. He stressed importance Yugoslavs attached to unobtrusive discussions on and furnishing of any such aid. Djilas added that Yugoslav need for arms had already been placed informally before US; he said he himself had seen Parodi in Paris to give similar indication to French Government.

Foreign Office checked with informed French officials here who report that Djilas remarks to Parodi [3] were so vague as not to give French Government impression he was making informal government level request for arms. Moreover, Foreign Office which has been informed substance Ambassador Allen's recent talks with Tito and Kardelj [4] is aware that Yugoslavs do not appear to have "placed informal request for arms before US Government".

Cheetham states that Prime Minister and Noble gave completely non-committal responses to Djilas approach. Matter is now under consideration by various elements British Government concerned. Embassy believes preliminary Foreign Office reaction will be along lines Deptel 3563, January 29 (sent Belgrade 739, repeated Paris 3961) [5] i.e. to tell Yugoslavs that if they will be more specific about their needs and requests it will be easier to come to agreement in principle as to how they might be met. [6] Accordingly Embassy urgently recommends formal transmittal to Foreign Office of substance reference telegram immediately.

GIFFORD

---

"Djilas and Vlado Dedijer, who is accompanying him as aide and translator, are both intriguers, dogmatic Marxists, and suspicious of all bourgeois governments. I regard them as among the more sinister figures of present regime, although Djilas has taken pains to try to convince me he is leading CPY towards west orientation." (768.00/2-551)

[3] For Parodi's comment on his conversation with Djilas in Paris, see Bonbright's memorandum of conversation, *infra*.

[4] For a summary of these conversations, see telegram 956 from Belgrade, Document 836.

[5] Document 844.

[6] Telegram 4246 from London, February 2, reported that Prime Minister Attlee had seen Djilas that afternoon and replied to his approach about arms assistance along the lines of telegram 739 to Belgrade. Attlee informed Djilas that in order for the British Government to consider the Yugoslav request, it would be necessary to have lists of the Yugoslav requirements, together with an indication of desired priorities and other data. (768.56/2-251)

## No. 848

768.56/1-3151

*Memorandum of Conversation, by the Deputy Assistant Secretary of State for European Affairs (Bonbright)* [1]

SECRET [WASHINGTON,] January 31, 1951.

Subject: Arms for Yugoslavia

Participants: M. Parodi, Secretary General, French Foreign Office; [2]
M. de Juniac, Counselor, French Embassy;
Mr. Bonbright, Deputy Assistant Secretary for European Affairs;
Mr. Reinhardt, Director, Office of Eastern European Affairs.

M. Parodi said that the French Government was very concerned about the possible threat of Soviet aggression against Yugoslavia and believed that it was in the interest of the Western Powers to do what they could to strengthen the Yugoslav military position. This view was based on the conviction that the breach between Belgrade and Moscow was definitive and that Tito's regime was sufficiently solid to preserve Yugoslav independence in the absence of overwhelming aggression from the outside. He asked whether the US shared these views. He added that, as we were aware, the French had been negotiating for some time with the Yugoslavs a commercial agreement which was to include, among other things, deliveries of a substantial quantity of arms, including a cartridge factory and that this agreement was on the point of being consummated. The French Government, however, believed that it was important that additional arms be made available to Yugoslavia without further delay and that he would appreciate learning our views in this regard as well. He added that it was clear from two recent calls made upon him by the Yugoslav Ambassador in Paris, on one of which he was accompanied by Milovan Djilas, that the Yugoslavs themselves are very worried. [3]

---

[1] Drafted by Reinhardt.

[2] French Foreign Ministry Secretary General Parodi was one of the officials accompanying Prime Minister Pleven during his visit to Washington, January 29-31; for information concerning Pleven's visit, see Document 843.

[3] In a brief separate memorandum of conversation, Bonbright reported Parodi's statement that when Djilas and the Yugoslav Ambassador in Paris called upon him a few days earlier in Paris, they had informally suggested that Yugoslavia would be grateful if, in any forthcoming meeting of the Council of Foreign Ministers, the Western powers could do something for Yugoslavia. (768.56/1-3151) In this connection, see the memorandum of conversation by Campbell, Document 855.

In reply to M. Parodi's first question, I stated that the US Government fully shared the French view with regard to the importance of supporting Yugoslav independence and that we were glad to learn that Yugoslavia would receive much needed equipment under the new commercial agreement with France. As M. Parodi knew, we had been giving serious consideration for some time, together with the French and British, as to what military support could be given Yugoslavia in the event of an attack and, in reply to the second question, I added that we were also studying the question of immediate support of this character in advance of such a development.

Mr. Reinhardt pointed out that at the present stage of rearmament there would be little or no matériel from current production which this country could make available to Yugoslavia for a good many months other than by taking it away from some intended recipient to whom it was at present committed; that the only immediately available source of matériel would appear to be surplus and captured World War II equipment. Unfortunately the US had very little of this character in its possession but, as M. Parodi knew, there were certain quantities of German equipment in France and elsewhere. This seemed to be the most practical approach to finding immediate military assistance for Yugoslavia and had the added advantage that the Yugoslav army was in fact in part equipped with German arms. M. de Juniac recalled that in the report of the Tripartite Staff Committee on military aid to Yugoslavia [4] the French had in fact submitted a list of German equipment in their possession that might be available for this purpose. (He did mention the fact that the French thought had been at that time that the Yugoslavs would purchase this equipment presumably with US credits).

M. Parodi said that it was of course politically difficult for Tito at this juncture openly to receive military assistance from the US and that perhaps France could serve as a go-between in such an operation. Finally, he said that upon his return to Paris he would check with the Ministry of Defense to ascertain the present status of the captured German arms in French possession and suggested that we keep in close touch on this subject with a view to developing as much assistance as possible to Yugoslavia. I replied that I would, of course, do so.

J. C. H. BONBRIGHT

---

[4] See the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1482.

## No. 849

768.5/1-3151

*Memorandum by Robert P. Joyce of the Policy Planning Staff to the Under Secretary of State (Webb)*

TOP SECRET [WASHINGTON,] January 31, 1951.

Subject: Possible Deterrents to a Soviet-satellite attack on Yugoslavia

The strategic and political advantages to the Soviet Union of overrunning Yugoslavia and Greece are entirely clear. In addition, there is probably an emotional factor involved which might influence the Kremlin's calculations, ie in case of Yugoslavia a desire to eliminate heretic Tito and in the case of Greece a desire to reverse the humiliating failure of the communist effort to take over Greece in 1948 and 1949.

The Kremlin may believe that it might be able to take over Yugoslavia without unleashing a general conflict, perhaps on the basis that Yugoslavia is a Slav state and that an attack against Tito the Communist might be considered as a "family quarrel" within the Soviet world, at least to the extent that there would not be a total reaction on the part of the Western Alliance of which Tito is not a member.

It would appear that the following measures might be considered as deterrents to the Kremlin:

1. The NAT group should prepare at once to build up an impressive stockpile of arms and equipment earmarked for Yugoslavia. This stockpile could be concentrated in Trieste, which is only five miles from the Yugoslav land frontier and accessible by sea to the Dalmatian Coast, which the Yugoslavs would hold in case that country should be attacked. Such equipment earmarked for Yugoslavia could be blended in with the stockpile and presently existing American and British ordnance depots in Trieste. It is believed that this could be done secretly in the initial stages. When the stockpile is in existence, it is believed that Tito himself would desire the information to become public that there was such a stockpile in existence and it was available to him in case he should be attacked.

2. If it should appear in the spring or summer of 1951 that Yugoslavia was on the point of being invaded, some public statement might be made by the President and by the heads of the Western European Governments to the effect that any aggression in Europe would destroy the fabric of the peace, etc. (In July, 1950, the President made a public statement along these lines applicable to the Korean situation.) It could also be forcefully stated, with particular reference to Yugoslavia, that that country is a member of the United Nations.

3. In case an attack against Yugoslavia appears to be imminent, Western naval and air demonstrations in the eastern Mediterranean and in the Adriatic might serve as a most sound deterrent.

ROBERT P. JOYCE

---

## No. 850

*Editorial Note*

Assistant Secretary of State for European Affairs George W. Perkins was in Europe during much of February, principally to serve as chairman of the Eastern European Chiefs of Mission Conference at Paris, January 30–February 2, and the Western European Ambassadors' Conference at Frankfurt, February 5–7. The United States Ambassador in Yugoslavia, George V. Allen, did not attend the Eastern European Chiefs of Mission Conference because, as he explained in telegram 793 from Belgrade, December 29, 1950, he wanted to avoid the inference that Yugoslavia was in the same category as the other Cominform countries. (120.4351/12–2851) The conferees at Paris did not discuss the Yugoslav situation but they did agree that their observations did not suggest the imminence of an outbreak of military hostilities in their areas.

The general situation in Yugoslavia and in particular Yugoslavia's ability to resist an attack was discussed at some length by the Western European Ambassadors at Frankfurt. The Ambassadors agreed that it was important to support Yugoslavia, to urge the allies of the United States to provide maximum aid to Yugoslavia, and to evolve alternative plans of action in the event of an emergency. For documentation on the Western European Ambassadors Conference, see Documents 74 ff.; regarding the Eastern European Chiefs of Mission Conference, see Document 610.

Before returning to the United States, Assistant Secretary of State Perkins visited Vienna on February 11–12, Belgrade on February 13–14 (see telegram 1101 from Belgrade, Document 861), and London on February 15–16.

---

## No. 851

*Editorial Note*

The Yugoslav Government began negotiations with the Greek Government in early 1951 concerning the question of restoring postal, telephonic, and telegraphic communications between the

two countries, and an agreement was reached to appoint two technical commissions to study the problem. According to telegram 2128 from Athens, January 4, the Yugoslav Minister in Greece, Radoš Jovanović, was confident that communications would be restored shortly (668.81/1-451); this optimism was also expressed by the Greek Prime Minister, Sophocles Venizelos, and reported to the Department of State in telegram 2154 from Athens, January 5 (668.81/1-551). Negotiations began in Athens on January 22 and resulted in the signing of an agreement on February 2 which provided for the resumption of communications within one month.

Improving relations with Austria were also formalized in early 1951 when the Presidium of the People's Assembly in Belgrade issued a "Decree on the Ending of the State of War with the Federal Republic of Austria" on January 17. Less than 2 weeks later the Yugoslav Government announced that an agreement had been signed by Yugoslavia and Austria which restored normal diplomatic relations and provided for the exchange of Ministers to head the Legations in Vienna and Belgrade. Viktor Repić, who served as political representative in Austria since 1949, presented his credentials to Chancellor Figl on February 28. The text of the Presidium decree terminating the state of war with Austria was transmitted to the Department of State in despatch 566 from Belgrade, February 1. (663.6829/2-151) Documentation on the restoration of diplomatic relations with Austria is in file 601.6328.

---

## No. 852

768.5/2-351

*Memorandum by the Chairman of the Joint Chiefs of Staff (Bradley) to the Secretary of Defense (Marshall)* [1]

TOP SECRET WASHINGTON, 2 February 1951.

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subject: Yugoslav Request for Military Assistance.

1. In accordance with the oral request made by Mr. Lovett to General Bradley, the Joint Chiefs of Staff have formulated the following as a basis for reply to the letter from the Deputy Under Secretary of State, dated 17 January 1951, [2] in which it was stated

[1] As noted in the covering memorandum attached to the source text, Lovett directed his staff to send a copy of this memorandum to Matthews; no other distribution of this memorandum was made by the Secretary of Defense.

[2] Document 830.

that the Department of State desired to be informed whether any items whatsoever on the Yugoslav lists might be made immediately available to the Yugoslav Government . . . .

2. In view of the worsening world situation and the increased threat of aggression against Yugoslavia, the Joint Chiefs of Staff, from the military point of view, now are of the opinion that it would be in the security interests of the United States to modify their previous recommendation that no military assistance be delivered to Yugoslavia until aggression has actually occurred. They perceive no objection, from the military point of view, to deliveries of military items . . . to Yugoslavia under the procedure outlined in subparagraphs 6a and b below.

3. The Joint Chiefs of Staff believe that the following types of items included in the Yugoslav lists might be stockpiled for . . . delivery to the Yugoslav Government . . . : certain United States obsolete military equipment, certain items of captured German equipment in Europe, and certain British equipment in Canada. In accordance with the terms of a tripartite agreement, arrangements for the supply of the German war matériel and the British equipment to Yugoslavia would require prior clearance on the political level with the Governments of the United Kingdom and of France. These items would not be in competition with matériel intended for allocation to Title I MDAP countries.

4. The Joint Chiefs of Staff are of the opinion that, except in token amounts, no items on the Yugoslav lists can be made available by the Department of Defense to the Yugoslav Government under conditions of immediate . . . delivery. On the other hand, OPC (Office of Policy Coordination) might make immediately available certain of its stocks for this purpose.

5. In order further to meet the immediacy of the Yugoslav requirement, the Joint Chiefs of Staff recommend that token amounts of standard equipment be made available from United States stocks, perhaps from Europe, . . . delivery of this matériel being made by an appropriate agency of the United States Government other than the Department of Defense (see subparagraph 6b below).

6. With respect to certain items on the Yugoslav lists, the Joint Chiefs of Staff recommend that obsolete United States military equipment and/or captured enemy equipment under United States control be provided. In addition, they also recommend that, subject to prior clearance on the political level, certain German war matériel and other suitable equipment of foreign origin be furnished Yugoslavia. This, in all probability, will require a period of from four to six months. In this connection, arrangements along the following lines appear to be necessary:

a. Mutual Defense Assistance Program funds already appropriated * could be diverted without resort to a Presidential order . . . for the purpose of establishing a stockpile of military equipment in an accessible location outside the borders of Yugoslavia; and

b. Once the stockpile is created, Presidential authorization might be extended to the appropriate United States agency (not connected with the MDAP function) to draw . . . upon the stockpile and to make immediate deliveries to Yugoslavia. . . .

For the Joint Chiefs of Staff:
OMAR N. BRADLEY

* There are now some $475,000,000 of Additional Military Production (AMP) funds for which no substantial AMP projects have been approved. [Footnote in the source text.]

## No. 853

*Editorial Note*

Yugoslav Deputy Minister of Foreign Trade Vladimir Velebit visited Washington at the end of 1950 to obtain economic assistance from the World Bank. At a dinner given by Robert P. Joyce of the Policy Planning Staff on November 22, United States officials raised with Velebit the possibility of political support and military assistance to Yugoslavia. Without committing his government, Velebit returned to Belgrade for consultations. By December 29 Velebit was back in Washington with a detailed shopping list of military equipment and supplies needed on an emergency basis by Yugoslavia. Further discussions with Joyce and G. Frederick Reinhardt, Director of the Office of Eastern European Affairs, on February 3, led to an agreement on assistance. Documentation on these conversations is in file 768.5. For Congressional testimony by General George H. Olmsted, Office of Military Assistance, Department of Defense, on the nature of the shipments to Yugoslavia, see U.S. House of Representatives, Committee on Foreign Affairs, *Selected Executive Session Hearings of the Committee, 1951–56.* volume XV, European Problems (Washington, 1980), pages 140 ff.

## No. 854

768.56/2-551: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

TOP SECRET BELGRADE, February 5, 1951—11 a.m.

1027. I have informed my British colleague [2] of US position re arms to Yugoslavia as contained in Deptel 739, January 29. [3]

Neither Tito nor Kardelj have approached me on subject of arms since my last talk with Kardelj (Embtel 956, January 24 [4]) and I presume they still contemplate making major approach Paris, London and Washington. Djilas seems be carrying ball at present.

However, Admiral Manola, Chief of Yugoslav Navy and reportedly director Yugoslav military intelligence, sought me out two nights ago to urge my support for what he referred to as "very modest Yugoslav request for military supplies". I said I did not know what Yugoslav Government wanted. He said "we will let you know".

It is evident that negotiations or feelers are going on in several places and Yugoslavs are trying indirectly to find out what they can obtain. I believe basic decision has been made to seek substantial military aid but that initial effort will be to get it through commercial credits. If this proves futile, Yugoslavs will doubtless make more direct approach.

Although time is passing, I still believe it preferable let Yugoslavs come to us. Initiative on our part would obligate us to furnish more supplies and more rapidly than we can probably fulfill.

ALLEN

---

[1] Repeated to Paris and London.
[2] British Ambassador Peake.
[3] Document 844.
[4] Document 836.

---

## No. 855

396.1/2-751

*Memorandum of Conversation, by the Officer in Charge of Balkan Affairs (Campbell)*

CONFIDENTIAL [WASHINGTON,] February 7, 1951.

Subject: Yugoslav interest in proposed CFM.

Participants: Mr. Mirko Sardelic, Counselor, Yugoslav Embassy
John C. Campbell, EE

Mr. Sardelic called today in order to inquire whether the Department could give his Government any information on the subject of the possible raising of the issue of violation of the satellite Peace Treaties and threats to the position of Yugoslavia at a forthcoming CFM. [1] He said that the Embassy had noted a great deal of talk on this subject in the press and wondered whether the Department could say anything to confirm these reports. I said that consideration had been given in the Department to raising the question of violation of the satellite Peace Treaties at a forthcoming CFM, that it had been discussed informally with the French and British, and that while no firm decisions had been taken it was not unlikely that this subject would be proposed for inclusion on the CFM agenda if and when the preliminary conference should meet. I referred to Ambassador Popovic's earlier remark to Mr. Thorp concerning possible discussion of the Yugoslav situation at a Four Power conference and then stated that we would keep the Yugoslav Government informed in so far as possible of any developments in the preparation for a Four Power meeting which would be of direct interest to Yugoslavia. [2] In the ensuing conversation we touched on the possibility of utilizing the Peace Observation Commission to investigate the situation on the borders between Yugoslavia and its Soviet satellite neighbors. I did not indicate that the US had any intention of making such a proposal, and he did not indicate whether the Yugoslav Government would or would not welcome it.

Mr. Sardelic made a number of inquiries concerning the recent conversations between M. Pleven and the President, asking whether Yugoslavia had been discussed. I said that I did not believe that it had been discussed. [3] He referred to Yugoslavia's interest in the strengthening of the ties between the Western allies and Yugoslavia's hope that the USSR would not be successful in its attempts to

---

[1] In November 1950 the Soviet Government proposed that the Council of Foreign Ministers be called into session in order to discuss the demilitarization of Germany. Following exchanges between the Soviet Government and the American, British, and French Governments, Four-Power Exploratory Talks were held at Paris, March 5–June 21, in an unsuccessful effort to prepare a mutually acceptable agenda for a session of the Council of Foreign Ministers. For documentation on these notes and the talks, see vol. III, Part 1, pp. 1048 ff.

[2] At the conclusion of a call upon Assistant Secretary Thorp on January 10 (see Document 827), Ambassador Popovic inquired about the Four-Power Conference and the possibility of including on its agenda a discussion of the threats to Yugoslav independence. It was subsequently decided within the Department of State to include the question of the threat to Yugoslavia as an aspect of a possible conference agenda item dealing with the violations of satellite peace treaties. (Memorandum by Gannett, January 26, with marginal notation by Bonbright, 768.00/1-2651)

[3] Regarding the Truman-Pleven discussions and the question of Yugoslavia, see Document 843.

drive wedges between them on the German question. He said that Yugoslavia was also interested in the Schuman Plan and in whether the US is now taking a more active role in pushing ahead with it. I said that I was not well informed on the nature of the talks between M. Pleven and the President and was not in a position to say anything about them, although I did emphasize that they had been both friendly and constructive and had contributed to strengthening the ties between the two countries. I said that I would make some inquiries to see whether there might be something I could tell him at a later date on these subjects which might be of interest to his Government. Throughout the conversation Mr. Sardelic's remarks reflected the opinion that the Western defense structure must be strengthened as rapidly as possible and that the Russians must not be allowed to profit from differences among the Western nations, including Western Germany.

---

## No. 856

768.00/2-751

*Memorandum of Conversation, by the Director of the Office of Western European Affairs (Byington)*

CONFIDENTIAL [WASHINGTON,] February 7, 1951.

Subject: Yugoslavia

Participants: Mr. Luciolli, Counselor, Italian Embassy
Mr. Byington, WE

Mr. Luciolli brought with him clippings of recent articles by Mr. Reston, Mr. Lippmann and Mr. Alsop, concerning recent political developments with regard to Yugoslavia. He was particularly interested in the *New York Times* story by Mr. Reston referring to current tripartite discussions with regard to that country. Mr. Luciolli pointed out that his government was adjacent to and intimately connected with all political matters affecting the Yugoslav Government and that the Foreign Office would be gravely concerned should Italy be left out of important conversations regarding future policy towards Tito. If military assistance were to be given to Yugoslavia it seemed to the Italian Government that Italy's geographic position would make it desirable from the interest of all Western European governments that Italy should be consulted. He expressed his conviction that the Italian Government agreed fully with our policy concerning Yugoslavia and that Tito should be assisted to preserve independence of his government against the Cominform. He had received the substance of the NATO conversa-

tions on this matter and inquired what I could tell him with regard to the discussions between the UK, France and the US, as reported in the press.

I said that as far as I knew no formal conversations were underway on this matter between the three governments he had mentioned. Any exchange of views that had taken place would have been of a most informal nature and in all probability of no further extent than that undertaken in the NATO. I said that the Department was fully aware of the Italian Government's interest in this problem and I would make inquiries to see whether there was anything more to these press stories than what I had told him. I said that the whole question of Yugoslavia was of course under continuous study within the Department and that we were as fully concerned over possible future developments as were the other members of the NATO. [1]

[1] Other Western European diplomatic representatives called at the Department of State in connection with newspaper reports regarding possible measures to ensure the security of Yugoslavia. Norwegian First Secretary Aaars called on Campbell on February 5 and 6 (memorandum of conversation, February 5 and 6, 611.68/2-651); Greek Ambassador Politis called on McGhee on February 6 (memorandum of conversation, February 6, 768.5/2-651); Danish Embassy Counselor Hessellund-Jensen called on Benjamin M. Hulley on February 9 (memorandum of conversation, February 9, 768.5/2-951); and Swedish First Secretary Per Lind called on Higgs on February 7 (memorandum of conversation, February 7, 468.118/2-751). The responses to the foreign representatives were substantially the same as Byington's comments to Luciolli.

## No. 857

768.5/2-851

*The Deputy Under Secretary of State (Matthews) to the Under Secretary of Defense (Lovett)*

TOP SECRET [WASHINGTON,] February 8, 1951.

DEAR MR. LOVETT: Reference is made to the reply which, after being shown to you and to General Bradley, was handed Mr. Velebit on February 3 in response to his oral enquiry regarding the immediate provision of arms and other military equipment to Yugoslavia and the possibility of initiating United States-Yugoslav staff talks. [1] Reference is also made to the recommendations of the Joint Chiefs of Staff contained in their memorandum of February 2,

[1] Regarding the meeting of February 3, see Document 853.

1951, [2] a copy of which was forwarded to me by Colonel Kreps under cover of a memorandum dated February 3, 1951.

I now enclose a copy of a memorandum of a conversation which Mr. Velebit had yesterday with representatives of the State Department in which he indicated that his Government was desirous of obtaining any surplus material, such as the howitzers, now available in the United States, although it prefers that for the time being the United States not take up with the British and French Governments the question of captured World War II matériel now in their hands. Mr. Velebit has not yet received his Government's reply with respect to possible staff talks.

In consideration of the Yugoslav reply, the Department of State hopes that the Department of Defense will be able at once to inaugurate such measures as may be necessary looking to the delivery to the Yugoslavs, . . . at the earliest practicable date, such quantities of howitzers, ammunition and other military equipment as can be made available for that purpose and are deemed capable of contributing effectively to the strength of the Yugoslav armed forces and their ability to resist aggression. It will be appreciated if you should meanwhile find it possible to inform this Department regarding the nature and quantities of the equipment which will be made available to the Yugoslavs, as well as the approximate date of delivery, in order that Mr. Velebit may be advised accordingly.

I should also be grateful if you would indicate whether the Department of Defense perceives any reason why Mr. Velebit should not be informed that the matériel in question is being turned over to the Yugoslavs without conditions, financial or otherwise, beyond the expectation that it will be utilized with a view to strengthening as effectively as possible the Yugoslav will and capability to resist aggression.

This letter and its enclosure are being sent to you in the original and one copy in the expectation that one will serve for your use and the other for that of General Bradley. [3]

Sincerely yours,

H. FREEMAN MATTHEWS

---

[2] Document 852.

[3] In a memorandum to the Secretary of Defense of February 15, the Joint Chiefs of Staff informed him that the Department of the Army had tabulated which equipment could be given to Yugoslavia within 30 to 60 days and which would take up to 6 months to deliver. (768.5/2-1551) This information was presented to Velebit by Reinhardt on March 3; see Documents 868 and 869.

[Enclosure]

TOP SECRET [WASHINGTON, February 7, 1951.]

MEMORANDUM OF CONVERSATION [4]

Subject: Conversation with Velebit regarding arms for Yugoslavia

Mr. Velebit met with Messrs. Joyce and Reinhardt the afternoon of February 7 for the purpose of transmitting the following message from Belgrade:

1. The Yugoslav Government is definitely interested in the possibility of receiving . . . from the U.S. the 105 mm. howitzers mentioned in the message given to Mr. Velebit on February 3. His government asked what were the financial conditions under which this transfer could be effected and how many pieces were involved. He added that Yugoslavia had no ammunition of this character, nor the means of fabricating any, and that it accordingly would be necessary for them to acquire, together with the guns, either a supply of the appropriate ammunition or machinery suitable for manufacturing it locally. . . .

2. In reply to the U.S. inquiry whether the British and French Governments might be informed of Mr. Velebit's confidential approach in order to consider a combined US-Anglo-French effort designed to obtain, if possible, German World War II and other equipment in other than U.S. hands, Mr. Velebit stated that Belgrade preferred that the U.S. not approach the British and French Governments at this time. He added that his Government itself is in the process of approaching the British and French Governments in this matter and preferred that the U.S. Government await developments in these consultations. He said he assumed that both the British and French Governments would in due course inform the U.S. Government with respect thereto. Finally, on this point he said that of course the Yugoslav Government hoped that at such time as the British and French Governments raised this question with the U.S. Government the latter would take a sympathetic and cooperative position with respect to the Yugoslav request.

3. Mr. Velebit stated that with respect to the suggested secret U.S.-Yugoslav staff conversations he had not yet received any word from Belgrade.

---

[4] Presumably prepared by Reinhardt.

## No. 858

660.68/2-951: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State*

SECRET BELGRADE, February 9, 1951—6 p.m.

1072. Embassy's best estimate (Deptel 763, February 3 [1]), based on experience US and foreign diplomatic and military personnel, US food observers, and news correspondents, is that morale of Yugoslavian population in Macedonia, Vojvodina, and all other exposed areas is high with reference to possible Cominform attack. Re specific questions in last sentence reference telegram, Embassy believes:

(1) Yugoslavians all areas aware possibility Cominform attack, but are not jittery. These people have survived many disasters, and have not suddenly lost their nerve through fear of Cominform attack. (Erroneous flight report from Macedonia believe to be result of one Tanjug correspondent's irresponsible reporting, and not of widespread apprehension). Yugoslav populace shown remarkable stolidity in face of present situation.

(2) Croats, Macedonians, like all Yugoslav groups, will fight Cominform invaders by any means possible; and will not accept Moscow domination as long as Yugoslav Government has army opposing invaders and has Western support.

Embassy's confidence in reaction of Croats, Macedonians, and all other Yugoslav groups heightened by these facts:

(1) Croats, Macedonians, other Yugoslavians, have hatred for Hungarians, Rumanians, Bulgarians, born of old animosities and sharpened by cruelty these satellites occupation Yugoslav areas on behalf Germans during last war.

(2) Factors dividing Yugoslavians, such as national and religious animosity between Croats and Serbs, gradually weakening. Animosities still exist, but they are not the same decisive factors they once were. Several US food observers report anti-Serb feeling in Croatia not nearly as intense as they had expected. Minority groups in Vojvodina and Albanians in Kosmet believed reacting favorably to regime's permission have own separate language schools and cultural autonomy. Macedonians particularly gratified over attaining republic status and cultural autonomy. Bulgarian efforts destroy Macedonian loyalty to FPRY, by promise of unified and sovereign Macedonia, not meeting success. For example, Handler *New York Times*, just returned from Macedonia, considers morale of population there best in Macedonian history. Regime's policy of

---

[1] Telegram 763 urgently requested the Embassy's estimate of (1) morale of the populations in those areas of Yugoslavia most likely to be overrun in a satellite attack on Yugoslavia (Vojvodina, Slavonia, and Macedonia) both currently and in the event of a satellite attack, and (2) the probable reaction of Croat and Macedonian populations to satellite attack. (660.68/2-351)

economic assistance to backward areas, such as Macedonia and Montenegra; and local government through separate republics and regional autonomy, have reduced considerably traditional opposition to Belgrade.

(3) Communism distasteful to most Croats, but they prefer national brand to Moscow domination. Most Croats are loyal Catholics; they would certainly not aid Cominform gain control over them.

(4) Tito undoubtedly has high degree personal popularity among Yugoslavs, even among many bitterly opposed to Communism. In emergency, his presence will tend to unify populace, and minimize national ideological differences in face of common enemy.

(5) Yugoslavs have vast respect for US. Knowledge that we support Yugoslav resistance would add to their determination oppose invasion from East.

These factors, together with oft-proven Yugoslav love of independence and willingness fight against odds, convince Embassy that Yugoslav Army and populace will give very good account of themselves if attacked by satellites.

Assumption, evident in reference telegram, that Yugoslav Government would abandon northeast plains if attacked by satellites, not necessarily true. While evidence on this point not conclusive, and Yugoslav war plans not known, Embassy considers it not unlikely that Yugoslav Government would attempt hold plains if attacking force limited to satellites, without direct Russian participation. No evidence of feeling among inhabitants Slavonia, Macedonia, Vojvodina that they fear army would abandon them without a fight.

ALLEN

---

## No. 859

740.5/2-1351: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State* [1]

[Extract] [2]

TOP SECRET LONDON, February 13, 1951—4 p.m.

Depto 502. Deputies' ninth meeting February 12.

. . . . . .

---

[1] Repeated to Ottawa, Brussels, Copenhagen, Frankfurt, The Hague, Lisbon, Oslo, Paris (for the Embassy, General Schuyler, and OSR), Reykjavik, Rome, Heidelberg (for General Handy), Wiesbaden (for General Norstad), and Luxembourg.

[2] The omitted portions of this message, sections 1-3 and 5-6, deal with matters unrelated to Yugoslavia.

4. Concluded exchange political views Yugoslav situation. Approved paper (D–D(51)29), [3] Depto 439, January 22, [4] Depto 446, January 23, [5] and Depto 457, January 26. [6] As agreed consensus designed to promote common approach and policy but not agreement commiting governments to course action.

UK withdrew sentence previously inserted at its request to effect satellite attack unlikely until after 1951 training season. UK now thought satellite attack might well come sooner. French shared UK pessimism and posed problem localization conflict. Netherlands thought any attack unlikely until Soviets prepared commit own forces since satellite forces, especially Hungary unreliable.

Italy felt attack on Yugoslavia would put Italy front line and in granting material aid Yugoslavia at possible expense delay NATO rearmament without jeopardy overall NATO defense special consideration should be given Italian defense owing exposed geographic and strategic position. UK opposed acidly as special treatment for one NAT country. Referred also UK troops Trieste and Austria. SHAPE and SG should determine. Italian point met by referring in II C to overall defense plan "particularly that pertaining to the immediate geographic area".

Portugal believed Tito unreliable ally and redundantly observed NAT Article 5 not brought into operation by such attack.

US reiterated that NATO countries may shortly be compelled recognize necessity meeting Yugoslav critical requirements, and should stand ready make quick decisions and take quick action. [7]

UK said government was already studying what UK would do in event Yugoslavia attacked.

. . . . . .

SPOFFORD

---

[3] Telegram Depto 457 from London, January 26, contains the text of this paper; see Document 840.

[4] Not printed, but see footnote 3, *ibid.*

[5] Not printed, but see footnote 6, Document 834.

[6] Document 840.

[7] See footnote 5, *ibid.*

## No. 860

611.00/2-1351

*Memorandum of Conversation, by the Special Assistant to the Secretary of State (Smith)*

[Extract] [1]

CONFIDENTIAL [WASHINGTON,] February 13, 1951.

Participants: Secretary Acheson
John Hightower, Associated Press
Don Gonzales, United Press
George E. Durno, International News Service

. . . . . .

The interview then turned to Yugoslavia. The Secretary indicated that it was possible that the increase in tension in this area was the result of propaganda. He said the question of any attack on Yugoslavia by the satellites was of major strategic importance to the U.S. He said that an attack might develop in several ways. It could be an effort by the satellite forces alone. Quite apart from numbers and strength, there was some doubt whether the Hungarian, Bulgarian and Rumanian troops would fight against Yugoslavia. It was possible that the satellites would be helped by "volunteers" from the Soviet Union. Conceivably, the Soviet Union would use the Red army, but this was unlikely since it would not only end the Soviet peace propaganda campaign but also create the possibility of general war. The Secretary said that if the Red army was used, it would probably be in connection with the Soviet decision to start general war.

The Secretary said that Tito had not asked us for arms. He added that Tito was probably deciding whether such a request would do him more harm than good. He indicated that the U.S. would not want to see the forces of Yugoslavia, Greece and Turkey destroyed piece-meal because the total number of troops in these three countries is probably larger than any army General Eisenhower would be commanding for some time. He said he did not know what Greece and Turkey would do if the satellites attacked Yugoslavia. They might confine their reaction to defending their own territory. In answer to a question, the Secretary said that his comment about air bases in the Mediterranean at his last press conference referred to our activity in strengthening the southern flank in Europe.

---

[1] The omitted portions concern subjects unrelated to Yugoslavia.

The Secretary was asked about Mr. Lippmann's suggestion that the U.S. tell the satellites that an attack on Yugoslavia would result in immediate retaliation by the United States. The Secretary said that if Mr. Lippmann wished to debate the question of whether or not such a commitment was wise, he felt that this would be a profitable discussion. However, he had doubts as to the specific way which Mr. Lippmann suggested should be used to convey this commitment to the Soviet Union. He pointed out that the first problem would be to arrive at the United States Government policy on making this additional commitment. He had certain doubts whether the commitment would be a deterrent or a provocation. He thought there might be other ways to accomplish the purpose of the proposal without a public statement. In this connection, he was asked by Mr. Durno whether the U.S. had large stores of arms in Trieste which could be moved quickly to Yugoslavia in an emergency. The Secretary said he did not know whether this was true or not but that he had not heard of it.

The Secretary said that he did not know whether an attack would be made on Yugoslavia in the spring but we had to make our plans so that any eventuality would be covered.

. . . . . .

---

## No. 861

661.68/2-1451: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, February 14, 1951—3 p.m.

1101. Assistant Secretary Perkins had highly useful talks with Kardelj and Tito yesterday. [2] In separate conversations he emphasized US Government and public interest in Yugoslav efforts to maintain its independence in face of Soviet and satellite threats. [3]

---

[1] Repeated to London and Paris.

[2] Assistant Secretary Perkins visited Belgrade on February 13 and 14 in the course of his tour of various European capitals in February; see Document 850.

[3] In telegram 1100 from Belgrade, February 14, Ambassador Allen provided the following additional information:

"During conversation with Tito and Kardelj yesterday, Perkins said U.S. Ambassadors from Cominform countries did not think either satellites or USSR were preparing for imminent attack anywhere in Europe. Kardelj and Tito both said their own information led them to same conclusion. Tito added from his knowledge of Russian and Soviet psychology, he did not think they would take action which would label USSR as aggressor in world opinion." (661.00/2-1451)

Regarding the meeting of Eastern European Chiefs of Mission referred to by Perkins, see Document 610.

In talk with Kardelj, Perkins referred to requests being made by Yugoslav Government for further assistance and pointed out present attitude of US Congress and public would make additional assistance most difficult to obtain without clear public indication by Yugoslav Government of what it would do in case of war.

Kardelj reviewed at length reasons for Yugoslav Government's policy of refraining from close alignment with any bloc. He said public opinion inside Yugoslavia was not ready for such alignment, but in another year this situation might be different.

In subsequent conversation with Tito, latter said he had received report of Kardelj conversation and would be glad carry discussion further. Much same ground was gone over, Tito pointing out he could not join any bloc because Yugoslav people, in case aggression here, must be absolutely certain their government had done nothing whatever to justify Soviet allegations West Powers had had aggressive intentions against USSR with Yugoslavia as base of operations.

. . . . . .

Perkins' visit was well timed. It not only gave opportunity for valuable exchange of views with Yugoslav officials, but demonstrated continuing interest in Yugoslavia and was therefore of considerable importance for public morale.

ALLEN

---

## No. 862

768.00/2-1451: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

RESTRICTED WASHINGTON, February 14, 1951—7 p.m.

3799. When asked comment at press conf today on US policy in event mil attack on Yugo, SecState said:

"I don't think I can say anything specific about it. It is, I think, summed up in the President's statement in his message of the 19th of July, [2] in which he stated that those who had it in their power to unleash or withhold acts of aggression should know that new acts of aggression committed in the world would strain the fabric of world peace to a dangerous extent. That is the broad policy of the US. Our attitude toward aggression is indicated very clearly in

---

[1] Drafted by Gannett and cleared with Campbell. Repeated to Belgrade.

[2] The reference is to President Truman's July 19, 1950, message to Congress on the Korean situation. For text, see Department of State *Bulletin*, July 31, 1950, p. 163.

our action in regard to Korea and the UN and in supporting the UN." [3]

When asked whether applicability of Pres's statement had ever been called attn eastern European govts SecState replied he did not know. [4]

ACHESON

[3] In telegram 1103 from Belgrade, February 14, Ambassador Allen reported that Foreign Minister Kardelj had expressed much appreciation for the Secretary of State's press statement. (768.00/2-1451)

[4] In a statement in the House of Commons on February 15, British Minister of Labour Bevan said that an attack upon Yugoslavia would be a matter of concern to the British Government. For text of Bevan's statement, see Folliot, *Documents on International Affairs, 1951*, p. 379.

## No. 863

768.00/2-1651: Telegram

*The Ambassador in the United Kingdom (Gifford) to the Secretary of State*

SECRET LONDON, February 16, 1951—6 p.m.

4485. From Perkins. Accompanied by Holmes I had general round-up this morning with Makins, Dixon, Noble, Mallet and Cheetham at FonOff. [1] I gave them a general report of my conversations in Yugoslavia and impressions resulting therefrom. They are along lines of Allen's telegram from Belgrade. [2] British stated that after discussions with Yugoslavia latter had furnished list of military equipment they desire with priorities indicated. In opinion of FonOff it seemed wise to consider Yugoslavia requests in tripartite forum in order to avoid danger of Yugoslavs playing one against the other. British will therefore recommend in course of few days that Yugoslav list of requirements be examined by tripartite working party in Washington. [3]

[1] This was the concluding stop in Assistant Secretary of State Perkins' February tour of Western Europe; see Document 850.

[2] This is presumably a reference to telegram 1101 from Belgrade, Document 861.

[3] The British Government sent copies of the Yugoslav list to their Embassy in Washington for distribution to the Department of State. Lord Jellicoe provided the list during a call at the Department on February 23 at which time he expressed the belief that the Yugoslavs were not aware that the British had informed the United States of the Yugoslav request. (Memorandum of conversation, February 23, 768.5/2-2351) The Department of State provided the Department of Defense with copies of the Yugoslav list under cover of an explanatory memorandum of March 1. (768.5-MAP/3-151)

Makins outlined the work and tentative conclusions of British economic commission presently in Belgrade. Indications are that deficit for '51 through '53 after allowing for World Bank financing may be nearer 250 million than 120 million figure submitted by Yugoslavia to US. He felt that short term economic aid is well in hand but that there should be very close coordination of consideration of Yugoslav request for long term economic aid. British expected to have full report from their delegation Belgrade in near future and expect to be in position to make suggestion to US as to how we may jointly consider Yugoslav economic needs.

[Here follows the concluding paragraph of the telegram dealing with Austria.]

[Perkins]
GIFFORD

---

## No. 864

868.49/2-1651

*Memorandum by the Deputy Assistant Secretary of State for European Affairs (Bonbright) to the Secretary of State* [1]

CONFIDENTIAL [WASHINGTON,] February 16, 1951.

Subject: Delay in Congressional Portion of Yugoslav Aid Program

Belgrade's 1091 of February 12, (copy attached, as well as our reply [2]) reports Yugoslav Government's concern over delays in shipment of emergency foodstuffs to Yugoslavia. The Ambassador points out that as indigenous stocks are used up, supplies from the US will become increasingly important since indigenous supplies are being allocated on expectation of replacement from the US.

While the stop-gap portion of the aid program to Yugoslavia has been executed on a regular schedule, the Congressional portion of the program is presently behind schedule. The principal reason for this delay is the worldwide shipping shortage.

What is described as the tightest shipping situation since the war has arisen as a result of shipping requirements for Korea, Europe-

---

[1] Drafted by Higgs.

[2] Neither printed. Telegram 1091 from Belgrade, February 12, reported that the most critical food period lay ahead as Yugoslavia's domestic food sources were exhausted and that failure to deliver on time would jeopardize the whole purpose for which aid was extended. (868.03/2-1251) The Department of State responded, in telegram 798 to Belgrade, February 13, by pointing out to the Embassy that Yugoslavia was a "relatively small factor" in the "worldwide shipping shortage" in light of the India grain program, the U.S.-European coal movement, and U.S. Army needs in Korea, but the problems would hopefully be resolved shortly. (868.03/2-1251)

an coal demands, anticipated tonnage for India, and speculative maneuvers on the part of ship operators. This situation has made it most difficult to book space for the Congressional part of the Yugoslav aid program. The problem has been under intense study by the Maritime Administrator and it is reported that a decision has just been reached to release approximately 40 ships a month from mothballs to ease the shipping shortage. Continuous meetings are being held on the subject and Mr. Harriman's office is actively following the matter. Meanwhile, it seems fairly clear adequate shipping for the Yugoslav program could be chartered by paying shipping rates above ECA ceilings. ECA and Agriculture have strongly recommended that we not book at the higher rates because of the probable effect of such action on our larger programs for Greece and Austria. Nevertheless, if the shipping situation does not ease substantially in the near future, and if we are not to risk failure of the Congressional program for Yugoslavia, we will be faced with the decision whether to book at the higher rates, regardless of the consequences to the other programs.

Reports from Belgrade do not indicate that the situation has as yet reached a critical stage, but you should be aware of the possibility of trouble ahead.

---

## No. 865

668.00/2-1951: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET PRIORITY BELGRADE, February 19, 1951—4 p m.

1133. Pass Defense. Tito, addressing second conference, CP branch of guards division February 17, [2] warned that CPY members must accept Yugoslav foreign policy and that dissension on this point would not be tolerated. Yugoslav cooperation with West dictated by Cominform attitude. Yugoslavia can work in harmony with West and still preserve socialist character. Those who question this basic policy, approved by CC CPY, "are, in present situation, a fifth column."

Tito explained Yugoslav foreign policy by giving four specific examples—food aid, Korea, Yugoslav defense against aggression, and Western arms aid. Re food aid, Tito said Soviet Union boycotted

---

[1] Repeated to London, Moscow, and Paris.

[2] For an extract from the speech, delivered in Belgrade on February 16, see Foliot, *Documents on International Affairs, 1951*, p. 379. The full text is printed in Tito, *Govori i chlantsi*, vol. V, p. 380.

Yugoslavia, and had not sent significant aid even before 1948 break. West, on other hand, "has shown readiness to send help." Western aid not motivated by altruism but by fear that Soviet Union would become too strong if it conquered Yugoslavia. Accepting US aid will "strengthen us not only against East, but in all respects."

Tito described Yugoslav stand on Korea as "active neutrality", but opposed to North Korean-Chinese aggression. "The war was started by North Koreans. Why should we close our eyes to that fact?" Yugoslav UN delegate "has definite aim, to remove war threat and prevent Yugoslav isolation." This policy has succeeded, and Yugoslavia has now averted danger of being isolated. As result correct policy, "an aggressor against us would have had better chance a year ago than today."

Yugoslav defense against aggression based on hypothesis that any European war could not be localized. It helps Yugoslavia therefore to have word go out from West "that attack on Yugoslavia would lead to wider conflict". This acts as deterrent to potential aggressors.

Rearmaments, Tito said he would not appeal to West for arms at present time, in order avoid lending substance to Cominform allegations that Yugoslavia has become capitalist satellite, but would concentrate for time being on developing own military industry. "The moment we see that attack against us is inevitable", Yugoslavia will seek arms from West. "Today we consider that final moment has not yet come." But Yugoslavia will not become anyone's satellite under any circumstances. "I would prefer to fight barehanded than be anyone's satellite."

Speech closed with exhortation party members preserve "monolothic unity" of army and populace.

*Comment:* There is undoubtedly a minority among CPY members who find Yugoslav-Western *rapprochement* difficult to accept. Speech primarily directed at such elements, and is significant move in CPY campaign to convince all adherents that Western *rapprochement* aids rather than hurts Yugoslav effort achieve socialism. Another major step in this campaign has been reported issuance orders to all local CPY functionaries that they must sell rank-and-file on idea that West not forcing Yugoslavs to give up socialism as price of material aid.

Embassy has long felt some danger that Tito, in reorienting Yugoslav Government to West, might get too far ahead of his following in CPY. Present campaign indicates CPY leadership aware of problem, and taking steps to meet it.

We do not interpret speech to indicate widespread or serious disunity in party's ranks. At same time, it may be forerunner of disci-

plinary action among party members who fail to adjust themselves to new party line.

ALLEN

---

## No. 866

768.5/2-2051: Telegram

*The Ambassador in the Soviet Union (Kirk) to the Secretary of State* [1]

TOP SECRET Moscow, February 20, 1951—6 p.m.

1547. Pass Defense. Embassy noted with interest interpretation by press and radio commentators of press conference statements of February 14 [2] referring to President's July 19 report to Congress as warning to Russia and satellites against launching attack on Yugoslavia.

In recent conversations here my British, French and Italian colleagues have all expressed concern in regard to previous public speculation concerning probable Western reaction to an attack on Yugoslavia. They have been apprehensive at the impression that speculation might be creating in the minds of Soviet planners. It has been their feeling that the implication of such speculation was that there is considerable doubt in the absence of definite official statements to the contrary, as to whether the Western Powers would react vigorously with military force against an attack and that there may be a danger that the Kremlin might be tempted in the circumstances to risk an adventure against Yugoslavia in the hope that Western countermeasures would be sufficiently ineffectual and dilatory to enable Soviets to achieve a *fait accompli* localized in the Balkan area. In this connection, there is recalled the influence of miscalculations as to US reaction on German decisions to launch World Wars I and II, and in particular that of England in World War I.

In line with above thinking, my colleagues have felt that it would be desirable to insure by appropriate means that there be no misapprehension in the mind of the Kremlin as to the vigor of Western reaction to an attack on Yugoslavia. To this end they have been considering the desirability of suggesting that Soviets be approached discreetly and forcefully informed of determination of West and particularly the US to meet any armed threat to Yugoslavia with such forces as the situation may require. Representa-

---

[1] Repeated to London, Paris, and Belgrade.

[2] See telegram 3799 to London, Document 862.

tions of this type might be made either through UK, US and French Ambassadors in Moscow or through Soviet Ambassadors abroad or in some manner through NAT organization. An alternative would be definitive public pronouncements by US, UK, France and other NAT countries.

We appreciate the difficulties inherent in any of the foregoing approaches. While a categoric public announcement would presumably go further to disabuse Soviet policy planners of whatever doubts they may have and would have the advantage of simultaneously informing and thus rallying support of US and free world public, to a reciprocal extent a firm public position of this nature would tend to engage Soviet prestige and seem likely to increase tensions. On other hand it would appear to be of doubtful wisdom to endeavor to undertake a step of this importance on a secret basis and the problem of securing its confidential nature would be a major one. If inadvertently leaks should occur speculation, which would further confuse the picture and thus tend to defeat their objective, might be enhanced. Furthermore aside from mere advantage of taking any advance step which could deter the Soviets from a rash adventure, there may be some question as to whether it is advisable to give Tito a blank check of so definite nature. In this connection it should be noted that England's guarantee to Poland in early 1939 may not, in historical perspective, appear wholly the part of wisdom. In the circumstances, it is probably undesirable to attempt at this time any more definite pronouncement concerning Yugoslavia than the President's July 19 declaration, and the reaction of the press to references thereto can be regarded as fortuitous.

In general connection with the likelihood of an adventure against Yugoslavia in near future, we do not have here information to suggest that such an adventure is more imminent than previously estimated and we note Belgrade's telegram 1100, February 14, [3] in which Tito and Kardelj are reported to adhere to their previously expressed view that satellite or USSR attack immediately is unlikely. However, we note British statement (infotel February 15, 4 a.m.) [4] at NAT Council Deputies meeting in which British Deputy withdrew previous opinion that satellite attack is improbable until after 1951 training season and it appears from information reaching us from other posts that there is some increase in tempo of satellite military activities. In my view these developments suggest an urgent necessity for US and our Allies, if they have not already

[3] Not printed, but see footnote 3, Document 861.

[4] This information telegram transmitted the substance of telegram Depto 502 from London, Document 859.

done so, to consider steps beyond the contemplated (infotel above cited) possibility that we shall have to meet critical Yugoslav material requirements, and in fact to determine at an early date what would be the military reaction of West to Soviet or satellite attack on Yugoslavia in various contingencies should such eventuate in near future.

KIRK

---

## No. 867

661.68/2-2451: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, February 24, 1951—2 p.m.

1175. With reference to wide-spread speculation re possible attack on Yugoslavia, following is analysis of situation as viewed from Belgrade, even though Embassy has few solid facts to go on. My civil and military staffs are in general agreement with this report.

High Yugoslav leaders are still confident that attack against this country is not imminent. Recent party line has been somewhat less confident than tone used by Kardelj and Tito in speaking to Perkins (Embtel 1100, February 14), [2] but change is probably due to desire by leaders to avoid overconfidence or relaxation. Admiral Manola, Chief of Yugoslav Military Intelligence, told Air Attaché Burnett today that he still had no knowledge of military activity in satellite states indicating preparation for attack.

From purely political point of view, I am inclined to doubt open aggression against Yugoslavia in near future. Tito has kept his status as Communist and neutral sufficiently clear to make any attack on him appear as flagrant aggression in eyes of world, including majority of those who are still unable to perceive clear-cut case of aggression in Korea, such as extreme group of British Labor Party. While Nehru can find justification for middle ground on Korean issue, he would find it extremely difficult not to put Indian Government solidly behind collective security in case of attack on Yugoslavia.

While it is dangerous to presume that Cominform leaders will act logically, I retain belief that West Germany is more likely than Yugoslavia to be next point of Cominform aggression in Europe.

---

[1] Repeated to Paris, London, and Moscow.

[2] Not printed, but see footnote 3, Document 861.

If Kremlin decides on attack elsewhere in Europe, Tito expects USSR will make simultaneous gesture of appeasement to Yugoslavia, in hope of keeping Yugoslavia neutral. Tito told Perkins and me that he would reject such an approach, since he would know it was not sincere. He says Soviets would try to leave Yugoslavia aside while it over-ran Europe, but he is aware that Soviets would take care of him later. He asserts he will participate with all his force in opposing aggression anywhere in Europe, to the same extent as other UN nations do.

I am not prepared at this moment to express full confidence that Tito will not attempt to remain neutral in case of war in Europe, despite his protestations to contrary. He might seek to preserve his strength unimpaired as long as possible, primarily because he knows that his regime will experience great difficulty in remaining in power after another world war, no matter who wins. His best chance of remaining in control might be, like the regimes in Turkey and Spain after the last war, to have a strong army in being.

I should add, however, that even a neutral Yugoslavia would be of great benefit to western allies in case of war and that it is therefore in our interest to maintain military posture of Yugoslavia, whether Tito is willing publicly to stand up and be counted on our side or not. I am confident that his neutrality would be benevolent, and it is possible that he would be with us actively from the start.

ALLEN

---

## No. 868

768.5/3-351

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Reinhardt)* [1]

TOP SECRET [WASHINGTON,] March 3, 1951.

Mr. Joyce and I saw Velebit at 5:30 p.m. last evening and handed him the prepared statement. [2] I made orally the following additional points:

1. Washington was continuing to ascertain whether additional items might be added to the 2nd package. I could give him no assurances, but wanted him to know that the effort was being made.

2. I told him we would have to inform the British if and when the project got underway. Also I asked him to be sure that his

[1] The source text is a handwritten note.

[2] *Infra.*

people did not speak to the British before we did. He said he understood and agreed.

3. I said that Army had pointed out that 181 M 105 mm was more than the given number of guns could fire. That 120 M was our figure. If the Yugos didn't want the extra or any other items to let me know immediately so we would not have to pack them.

4. The 1st package was a full cargo for an 8 to 10,000 ton vessel. We suggested New Orleans as the port. The material would be ready shortly after the beginning of April. He said he saw no difficulties.

5. I told V[elebit] that Mr. Frank Lindsay, whom he knew, was to be his contact for carrying out the operation. That he should deal directly with him regarding package 1 as soon as he had the green light from Belgrade. With respect to the balance of the program he was to continue to deal with me.

6. V[elebit] seemed pleased with the communication; said he should have a reply in 2 or 3 days from Belgrade and that he thought this was the beginning of what would develop into a far wider collaboration.

F[REDERICK] R[EINHARDT]

---

## No. 869

768.5/3-251

*Memorandum Prepared in the Department of State* [1]

TOP SECRET [WASHINGTON,] March 2, 1951.

Reference is made to Mr. Velebit's oral communications to representatives of the Department of State on February 7, 1951, [2] when he stated that the Yugoslav Government would be interested in receiving certain 105 mm howitzers and other military equipment which he had been informed on February 3 might be made available for the purpose of increasing the capabilities of the Yugoslav armed forces to resist aggression.

1. The United States Government is prepared to make available to the Yugoslav Government, at no cost to the Yugoslav Government, delivered dockside at a United States port, within 30 to 60 days from this date, the items named in attached List "A". [3] It will accordingly be appreciated if the Yugoslav Government will indicate at as early a date as may be possible the port or ports at

---

[1] A covering memorandum by Huston noted that Matthews approved the source text.

[2] A record of Velebit's remarks on February 7 is contained in the memorandum of conversation enclosed with Matthews' letter to Lovett, Document 857.

[3] Not printed; it listed 14 different items ranging from rifle cartridges to howitzers totaling $3,253,665 in value.

which, and the date when, a Yugoslav vessel or vessels will be available for loading this matériel.

2. The items named in attached List "B" [4] may be similarly delivered into Yugoslav possession within six months, provided arrangements have meanwhile been concluded for Yugoslav-United States military staff talks, as originally proposed by Mr. Velebit on behalf of the Yugoslav Government, encompassing strategic matters of mutual interest with respect to Yugoslavia, as well as detailed discussions involving the overall Yugoslav military supply situation.

In reaching a determination that the above-mentioned matériel should be made available to the Yugoslav Government, the United States Government has been mindful of the various statements of high Yugoslav officials that Yugoslavia will fulfill its obligations as a member of the United Nations in opposing aggression, as well as of the undertaking of the Yugoslav Government contained in its exchange of notes with the United States Ambassador in Belgrade on November 20 and 21, 1950, [5] relating to the supply of food to Yugoslavia by the United States, in which it agreed to provide the United States reciprocal assistance by continuing to facilitate the production and transfer to the United States of raw and semi-processed materials required by the United States.

It will be appreciated if the Yugoslav Government will indicate at an early date whether it finds the foregoing arrangements acceptable.

---

[4] Not printed; it listed 12 items of a similar nature to those in List A totaling $12,835,452 in value.

[5] For text of Ambassador Allen's note, November 20, 1950, see *Foreign Relations*, 1950, vol. IV, p. 1504. The Yugoslav Government reply is summarized in footnote 1 thereto.

---

## No. 870

*Editorial Note*

During a conversation with officials of the Office of Eastern European Affairs on March 6, Lord Earl Jellicoe, First Secretary of the British Embassy, suggested that representatives of the United States, the United Kingdom, and the International Bank for Reconstruction and Development (IBRD) hold a series of meetings in London beginning the week after Easter to discuss thoroughly the over-all Yugoslav economic situation, particularly Yugoslavia's current economic deficit. The main problem which the British wanted to discuss was whether an attempt should be made to provide longer term credits to Yugoslavia in order to put its economy on a

regularly functioning basis and thereby eliminate the need for continued hand-to-mouth assistance. Lord Jellicoe stated that the British wanted to focus on the economic aspects of the problem without getting into the problems of military assistance at this point. (868.00/3-651) Two days later this recommendation was informally repeated to Embassy officials by members of the British Foreign Office and was reported to the Department of State in telegram 4811 from London, June 8. (868.00/3-851) The Department approved of the British proposal for London meetings but stated that it preferred a bilateral discussion without participation by representatives of the IBRD until agreement was reached on a United States-United Kingdom position. As stated in telegram 4213 to London, March 16, the Department agreed that official conversations should begin on April 9 concerning both long-range and short-range aspects of the Yugoslav economy, and that an advanced party of officials from both countries should meet during the third week of March to begin the preliminary exchange of information. (868.00/3-851)

The first formal meeting took place in London on April 9 between a United States delegation headed by Charles F. Baldwin, Counselor for Economic Affairs of the Embassy in London, and a delegation from the United Kingdom headed by Sir Francis Mudie. According to telegram 5323 from London, April 9, one of the first subjects discussed at this meeting concerned the question of French participation, which the French had requested when they learned these meetings were to take place. (868.00/4-951) In telegram 4596 to London, April 9, the Department of State recommended extending the French a cordial invitation which, in fact, was done after the second meeting on April 10. (868.00/4-951) French Embassy Counselor Lebel began attending the meetings on April 13 and French Finance Ministry official Hirsch-Girin, who served for a time as head of the French delegation, formally inaugurated French participation in the session on April 16.

Regular meetings were held throughout April and May, hindered occasionally by untimely press leaks, with the result that tripartite agreement was reached on such issues as the basic causes of Yugoslavia's economic difficulties, the general principles for requesting fourth countries to participate in a multinational assistance program, the controls required for assuring Yugoslavia's cooperation in carrying out any program, and the definition of a general policy of "keeping Tito afloat". However, according to a memorandum by Higgs of May 8, two major areas of disagreement remained: who, aside from the United States, would furnish grant assistance and in what amounts. (868.00/5-851) After another month of prolonged negotiations, it was finally agreed that the United Kingdom would

contribute 23 percent, the French 12 percent, and the United States 65 percent of the total projected need which was not to exceed $265 million. According to telegram 6478 from London, June 11, this agreement was signed by representatives of the three delegations on June 13. (868.00/6-1151)

None of the voluminous correspondence leading up to the decision to hold official conversations nor any of the numerous telegrams describing the progress of the meetings in London are printed here. For the final report of June 13, see Document 906. Documentation on the meetings in London of the Tripartite Conference on Aid to Yugoslavia is in file 868.00 as well as London Embassy files, lot 59F59.

---

## No. 871

868.00/3-651: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET PRIORITY BELGRADE, March 6, 1951—11 p.m.

1230. Foreign Minister Kardelj asked me to come to see him tonight for urgent presentation of what he termed "crisis in Yugoslavian economy". He said Yugoslavia was in pressing and immediate need of 30 million worth of raw materials, notably cotton, wool, heavy hides, iron and steel shapes, chemical raw materials and coke. Yugoslavian Government is endeavoring to obtain four million pounds sterling from UK and Kardelj requested 20 million from US, in grant or credit. He said Yugoslav light industry, particularly textile mills and shoe factories might have to begin closing in two weeks. Most serious result would be effect on new price and incentive policy recently instituted to encourage agricultural production. Without consumer goods produced by light industry, farmers would not sell their produce or increase planting. Additional trouble would arise from unemployment, thereby weakening Yugoslav ability to resist aggression.

I said I would report request to Washington but foresaw considerable difficulty in our continuing to meet urgent piecemeal requests of this nature. Kardelj said raw material needs were directly attributable to inability of Yugoslavia to export agricultural commodities because of drought and that present request was foreseen last fall when drought needs were presented to Department by Ambassador Popovich.

---

[1] Repeated to London and Paris.

I requested detailed explanation of needs. Kardelj said memorandum would be handed to Fowler tomorrow. I said Yugoslav Embassy in Washington would also need full instructions. Kardelj said these would be sent. I asked specific grounds on which memo request was based. Kardelj said maintenance of Yugoslav ability to resist aggression. Consequently he hoped MDAP might be source of funds.

I expressed personal opinion that it was not feasible for us to continue to meet recurring crisis in Yugoslav economy and that more basic long-range solution was necessary. Kardelj said Yugoslavian Government hoped to find basic solution through agreed formula for substantive collaboration with EPU and perhaps OEEC but that existing emergency could not be met through this means. He thought outright participation in OEEC might be feasible in year or two.

While I am convinced that eventually Yugoslavian Government will have to participate directly in Europe in economic and military organization, such collaboration will not be feasible for at least six to 12 months. Meanwhile there appears to be no alternative but to continue through cooperation of British and others, to sustain Yugoslavian economy sufficiently to maintain its military posture.

ALLEN

---

## No. 872

768.5/3-1251

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Deputy Under Secretary of State (Matthews)* [1]

TOP SECRET [WASHINGTON,] March 9, 1951.

Subject: Recommendation that British be informed of Velebit request for arms assistance to Yugoslavia.

With reference to the discussions with Mr. Velebit and preparations now in progress to provide the Yugoslavs certain arms and equipment . . . during the next few weeks, EUR suggests the desirability of giving some indication to the British now of the action being taken on the Velebit approach. It was initially considered that it would be best not to advise the British until about the time we were ready to turn the first shipment over to the Yugoslavs. In

[1] Drafted by Huston and initialed by Perkins.

view of our practice of close consultation with the British, however, as well as the discussions now in prospect with respect to the list presented to the British by the Yugoslavs, EUR believes it would be desirable at least to give the British a general indication of what is going on without too much delay. Otherwise, we not only would run the risk of possible embarrassment or suspicion of bad faith, but would have failed to be as forthcoming with the British as we expect them to be with us.

EUR would see no objection to advising the British fully regarding the Velebit approach and the action being taken thereon, although it might in some respects be premature until we know that plans are actually working out. For the present it is believed it might suffice to say to Jellicoe the next time he comes in, in general and even casual language, something to this effect:

"We have had our people looking around to see if they can't find some uncommitted equipment, even if it is obsolete and in very small quantities, which we could turn over to the Yugoslavs, almost immediately and as unobtrusively as possible, to help keep up their morale. We are not sure what can be done along this line, but are looking into it. Naturally, it's being gone into in the utmost secrecy."

EUR would appreciate knowing whether you agree that such mention of the project might be made at this time. At an appropriate time later on we can give the British more detailed information and determine how the matter should be handled in relation to possible Tripartite Working Group talks. [2]

---

[2] According to a note from Matthews' office dated March 22 attached to the source text, Matthews approved of this recommendation. The following day Huston informed Lord Jellicoe of the British Embassy as instructed. (Memorandum of conversation, March 23, 768.5/3-2351)

## No. 873

768.5/3-1251

*Memorandum of Conversation, by the Deputy Director of the Office of Eastern European Affairs (Higgs)* [1]

SECRET [WASHINGTON,] March 12, 1951.

Subject: Col. Ellery Huntington's Impressions of the Yugoslav Situation.

Participants: Col. Ellery Huntington, former Chief, US Military Mission to Tito
EE—Mr. Higgs
EE—Mr. Marcy
R—Mr. Howe

Colonel Huntington called to give the Department his impressions of the situation in Yugoslavia derived as a result of a recent three-day visit there and several conversations with Marshal Tito.

Colonel Huntington opened the discussion by remarking that his observations and conclusions coincided almost exactly with those so ably presented by Ambassador Allen. As a consequence, he would not himself discourse on the Yugoslav situation, but would welcome and discuss any questions as to particular aspects thereof. In the ensuing discussion, the following specific points were brought out:

1). Tito informed the Colonel that his major troubles today are with reference to his own party: the ideological purists who resist what they consider a swing to the right. Tito, however, knows the identity of the dangerous individuals in this category, and said that he is prepared to deal with them. In this context, Colonel Huntington impressed upon the Marshal the desirability of strengthening his representation in the United States with more men of the calibre of Velebit. In response to a query by Mr. Higgs, the Colonel stated that when making this suggestion to Tito he had refrained from mentioning specific persons, as for example Ambassador Popovic. Tito had been receptive to his suggestion.

2). Tito does not anticipate an attack by the Cominform at this time, although if the economic situation within Yugoslavia continues to deteriorate, Yugoslavia may soon become too "tempting a morsel". Failing this, Tito believes that Stalin himself is the best insurance there is against an early attack. Stalin knows that in a war into which the West would inevitably be drawn, the USSR in its present form could not hope to survive. As he regards the conception and creation of the USSR as his personal accomplishment, he will not risk its almost certain destruction. The real danger will arise when Stalin is succeeded by a "younger and more impetuous"

[1] Drafted by Marcy.

man. Tito does not anticipate that there will be any difficulty as regards the succession.

3). Yugoslav intelligence in the neighboring states is such that Tito will have "ample" warning of an imminent attack. Pressed by the Colonel to be more precise, Tito implied that there would be time to obtain from the West the arms and matériel he requires. He does not wish (dare) to accept arms now, despite the fact that present Yugoslav equipment is old, heterogeneous and insufficient. (Tito admits that, as a result of this situation, his present defiant stand is primarily "bluff").

4). Tito is cognizant of and reconciled as regards the probability that congressional debate on any proposed Yugoslav aid program will involve all manner of unpleasant statements and assertions, which in addition to being distasteful will make him vulnerable to cominformist propaganda. He is prepared for this in reference to economic and other civil aid, but does not wish at this time for such discussion to involve military assistance. He would, however, now like and would now accept Western (American: Colonel Huntington states that Tito distrusts the British) training of his officers, primarily in modern weapons. Colonel Huntington was not specific as to the origin of the suggestion, but did state that Tito would like training facilities prepared on some neighboring territory such as Trieste.

5). Tito welcomes US interest and influence. He does not resent American observation of the Food Program, and the US can look forward to increasing cooperation from him, "beyond our expectations".

6). In endeavoring to describe Tito's attitude towards the abandonment of the Five Year Plan and the other manifestations of the "swing to the right", Colonel Huntington recalled a conversation he had had with Tito in the summer of 1944. In the course of this conversation, Tito remarked that he would personally be reluctant to see the communization of Yugoslavia proceed to the point that all individual initiative and enterprise were obliterated. The West did not understand that a certain degree of communization was necessary for Yugoslavia, in order that it might "pull itself up by its bootstraps" and industrialize; but no more. The apparent frenzy with which the communist program was pursued in Yugoslavia in the early days was forced upon Tito by the political necessity of placating the ideological purists whose support he required. Although it was not so stated, Colonel Huntington gave the impression that the present "swing to the right" was, if anything, welcome to Tito personally.

7). As a consequence of his recent trip, Colonel Huntington has two projects to which he is devoting as much time as he can spare. (a): persuading individual members of Congress that aid to Tito should not be conditioned upon a commitment on his part to fight on the side of the West. For Tito to remain neutral, thus tying up a number of Soviet divisions, would be of sufficient military advantage to the United States to warrant considerable expense. (b): promoting an American program of training Yugoslav officers in modern weapons along the lines suggested in paragraph 4, above.

8). In response to a suggestion from Mr. Higgs, Colonel Huntington expressed himself as willing and desirous of assisting the Department in its presentation to the Congress of its Yugoslav program. Colonel Huntington will be glad to testify, if desired, provided he is adequately briefed beforehand.

L. RANDOLPH HIGGS

---

## No. 874

ISAC files, lot 53D443

*Memorandum by the Foreign Aid Committee to the International Security Affairs Committee* [1]

TOP SECRET [WASHINGTON, March 14, 1951.]
[ISAC D–10]

*Problem:*

What approach, if any, should be made to key members of Congress concerning the immediate use of the authority contained in section 408(c) of the Mutual Defense Assistance Act to provide aid prior to July 1, 1951 on a grant basis to Yugoslavia to make up critical deficiencies in its supply of raw materials?

*Discussion:*

At its meeting on March 12, 1951, [2] Task Force I of the Foreign Aid Steering Group (which has the same membership as the Foreign Aid Committee of ISAC) considered proposals for further aid to Yugoslavia during FY 1951 and FY 1952 to make up critical deficiencies in its supply of raw materials. Having determined (1) that NSC 18/6 [3] decided in general the issue of whether, and under what circumstances, further economic aid should be furnished to Yugoslavia; (2) that under the criteria of NSC 18/6, further aid was urgently required to fill raw material deficiencies before the end of U.S. FY 1951 in the amount which cannot now be definitely specified (because of uncertainties as to a British contribution and other factors) but which is likely to be in the neighborhood of

---

[1] This document, along with a covering sheet and an attachment, was circulated as International Security Affairs Committee document ISAC D–10. According to the attachment, not printed, this paper was drafted by Alfred G. Vigderman of the Office of the Assistant Legal Adviser for Economic Affairs for submission to ISAC.

[2] An action summary of the Foreign Aid Committee meeting of March 12, attached to the source text, is not printed. It briefly noted that the Foreign Aid Committee desired to inform ISAC of the recommendations summarized in this memorandum. For the minutes of the Foreign Aid Committee of March 12, see document TF I M–18 of March 13 in ISAC files, lot 53D443.

[3] Not cleared for publication when this volume went to press.

$29,000,000; and (3) that such further aid could only be provided at this time (by utilizing MDAP funds under section 408(c) of the Mutual Defense Assistance Act or through special legislation), it was agreed that ISAC should be advised of these conclusions and that ISAC, if it agreed with these conclusions, should immediately make appropriate arrangements for Congressional consultations on the question of whether there was any serious objection to invoking section 408(c) in order to use MDAP funds for this purpose.

Section 408(c) of the Mutual Defense Assistance Act of 1949, as amended, authorizes the utilization of MDAP funds "for the purpose of providing military assistance to any . . .[4] European nation whose strategic location makes it of direct importance to the North Atlantic area and whose immediately increased ability to defend itself, the President, after consultation with the governments of the other nations which are members of the North Atlantic Treaty, finds contributes to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States."

The authority contained in section 408(c) is available only to the President. The President is not authorized to delegate that authority. When the President makes a determination involving the use of funds under that section, he is required to notify the two Armed Services Committees of the Congress and the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

The authority contained in section 408(c) was used to provide aid to Yugoslavia last fall at a time when Congress was not in session.[5] This involved the provision of urgently needed food commodities to meet the near famine with which the country was threatened because of drought. The MDAP portion of such aid was measured by the food consumption of the armed forces of Yugoslavia. Since most of the key members of Congress were not then in Washington, they were consulted in writing by the President and asked to provide their views. No objection was heard from the members of Congress who were consulted. Action then by the President under 408(c) was followed by a request to the Congress for specific authority to provide additional amounts of food commodities to Yugoslavia. This request the Congress granted. In the presentation before the Congressional committees of the request for the additional amount of food, it was suggested that a raw materials deficiency in Yugoslavia

[4] Ellipsis in the source text.

[5] For documentation on the Yugoslav Emergency Food Assistance Program, see *Foreign Relations*, 1950, vol. IV, pp. 1459 ff.

would sooner or later have to be met, but that the amount and timing of that request could not be established at that point.

Section 408(c) in its present form is essentially a compromise between the firmly held views of certain members of Congress that the Executive Branch ought not to have flexibility to choose the nations which are to be the recipients of aid, and the views of the Executive Branch that such flexibility is essential to meet unforeseen developments. The elaborate conditions on the provision of aid to unnamed countries which include findings respecting the strategic location of the country to be aided, etc., consultation with the members of the North Atlantic Treaty, and the notification to the Congressional committees, all reflect Congressional concern that the authority given should be used sparingly and only under circumstances which make the use of such authority imperative.

*Recommendation:*

In the light of these circumstances, it is recommended that ISAC approve the conclusions of the Foreign Aid Committee and that appropriate officials of the Executive Branch consult with key members of the four Committees of Congress which are named in section 408(c). In these consultations the nature of the problems confronting the Executive Branch (the background for which is contained in TF I D-15 [6]), should be explained and the suggestion offered that section 408(c) provides a means of solving the problem within the time limit involved. Unless the Congressmen consulted are of the opinion that because Congress is in session, new legislation should be obtained, or other comments develop which throw doubt on the wisdom of using section 408(c), the Executive Branch should thereafter understand that no obstacle in terms of relations with Congress exists so far as using section 408(c) is concerned. [7]

---

[6] Task Force I document TF I D-15 of March 7, "Proposed Yugoslav Aid Program", is not printed, but is in ISAC files, lot 53D443, along with TF I D-15a of March 21, a lengthy ECA paper entitled "Interim Report on Western Aid to Yugoslavia."

[7] According to the minutes of the ISAC meeting of March 16, this recommendation was approved. A committee of four representing the Department of State, the Department of Defense, ECA, and the Executive Office of the White House was designated to consult with the appropriate committees of the Congress immediately. It was also noted during the meeting that the ECA, despite previous reluctance, should administer this new aid program in Yugoslavia. (ISAC files, lot 53D443, ISAC M-12, March 23)

## No. 875

768.5/3-1651

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Deputy Under Secretary of State (Matthews)* [1]

TOP SECRET [WASHINGTON,] March 16, 1951.

Subject: Recommendation that British Proposal for Consideration of the Yugoslav List of Military Requirements by the Tripartite Working Group be Accepted

On March 8 the British Embassy conveyed orally to the Department (Lord Jellicoe to Mr. Huston) [2] the substance of instructions which it had received from the Foreign Office setting out the British proposals with respect to action to be taken on the list of Yugoslav military requirements which the British Government had received from Mr. Djilas. These proposals, which were confirmed by the British Embassy on March 16 (Mr. Burrows to Mr. Labouisse) [3] with an indication that the British attach some urgency to their consideration, are as follows:

1. The British Government should inform the Yugoslav Government that it agrees in principle to endeavor to fill the Yugoslav requirements, subject to availabilities, at the same time suggesting that Yugoslav minimum essential needs be discussed either (a) by the service attachés of the three Governments and Yugoslav authorities in Belgrade or (b) by Yugoslav experts and representatives of the three Governments in Washington.
2. The British Government should seek United States and French concurrence in the foregoing, the list meanwhile being examined by the Tripartite Working Group in Washington to determine how many items can be supplied in the immediate future and the effect which the delivery of these items to Yugoslavia would have on other commitments.
3. In the light of these investigations the three Governments should determine what priorities should be attached to items to be supplied to Yugoslavia.

Preliminary discussions in the Department and with representatives of the Department of Defense support the conclusion that at least the central British proposal, i.e., that the Yugoslav list be sub-

---

[1] Drafted by Huston.

[2] No record of this conversation has been found in Department of State files.

[3] During Burrows' presentation to officials at the Department of State, which is recorded in a memorandum of conversation of March 16, he stressed that the British Government felt strongly that consideration of the list should be on a tripartite basis and that the British were examining their own availabilities to see if they could usefully send anything to Yugoslavia in the immediate future. (768.5/3-1651)

mitted to examination by the Tripartite Working Group, should be accepted. [4] We are committed to the policy of tripartite consultation on the question of military aid for Yugoslavia, and consideration of this list would constitute a logical continuation of the work done by the Tripartite Working Group last October, when it made an initial assessment of Yugoslav needs and Western availabilities on the basis of information then on hand. Moreover, it would be useful to have an opportunity to learn just what matériel the United Kingdom and France are able to supply, as well as their intentions with respect to terms. Both S/ISA and the MDAP Planning Staff of the Department of Defense have indicated that in their view the sooner the tripartite talks are held the better.

As regards the proposal for technical talks with Yugoslav experts, it is believed that the data on Yugoslav requirements which such talks would be expected to develop should be especially useful to the Tripartite Working Group. It would accordingly be desirable for any such talks to which the Yugoslavs may agree to be initiated at the earliest possible moment in order that their findings may be coordinated with the needs of the Working Group.

It is believed that the proposed tripartite technical discussions can and should go forward without awaiting developments with respect to possible staff talks and the broader problems of strategy, including the Greek and Albanian factors, which were raised in General Bradley's talks with Sir Oliver Franks. [5]

I accordingly recommend that we seek concurrence of the appropriate Defense officials in our acceptance of the British proposals, the reply to be conveyed orally, as was the proposal, to the following effect:

1. The United States Government shares the British view that it would be desirable for the British Government to inform the Yugoslav Government that it agrees in principle to endeavor, together with the United States and French Governments, to supply the items mentioned in the Yugoslav list, subject to availabilities. As regards the proposal to suggest to the Yugoslavs that their minimum essential needs be discussed either by the western service attachés with Yugoslav experts in Belgrade or by Yugoslav technical experts with representatives of the three Western Governments in Washington, it is the United States view that the holding of such discussions in Belgrade would have many practical advantages. It may be that, whether talks with the Yugoslav experts are held in Belgrade or in Washington, it would be desirable, both from the practical viewpoint and in order to make it more acceptable for the

---

[4] Regarding the organization of the Tripartite Working Group and its report, issued in October 1950, see the editorial note, *Foreign Relations*, 1950, vol. IV, p. 1482.

[5] This is a reference to the U.S.-British Politico-Military Conference of March 1.

Yugoslavs, to designate a representative or representatives of only one of the three Western Governments as the immediate contact for the discussions rather than to insist on the larger group which would be more cumbersome and more likely to attract attention. In this case, the representatives of the three Governments could coordinate among themselves the data obtained.

2. The United States Government agrees to the British proposal that the Tripartite Working Group be reconvened for a reassessment at the technical level of Yugoslav military requirements, including those indicated in the list provided to the British Government by Mr. Djilas, and of the present and prospective availabilities to meet those requirements. It is accordingly believed that any such technical talks as contemplated in paragraph 1 above to which the Yugoslavs may agree should be initiated as soon as possible in order that their findings may be available during the discussions of the Tripartite Working Group. From the United States point of view, it is considered that the tripartite discussions should be opened at an early date and the Department would welcome an indication from the British Government as to how soon it would be prepared to participate in such meetings. If there is no objection from the British point of view, the Department will inform the French Government that a reconvening of the Tripartite Working Group in Washington to study current Yugoslav military needs has been proposed and seek French agreement on setting the date for opening the discussions at, say, April 2, next.

3. The United States Government will be glad to examine with the British and French Governments, in the light of the above-proposed investigations, the question of priorities to be attached to items to be supplied to Yugoslavia. Although it is supposed that the Tripartite Working Group would not constitute an appropriate forum in which to determine priorities, it might make recommendations in this regard for the later consideration of the three Governments.

---

## No. 876

INR files, NIE series

*National Intelligence Estimate* [1]

SECRET
NIE-29

[WASHINGTON,] March 20, 1951.

---

[1] For information concerning the preparation of National Intelligence Estimates, see footnote 1, Document 613. On the covering sheets attached to the source text, it was noted that this estimate had received the concurrence of all members of the Intelligence Advisory Committee and that it was based on information available on March 15.

## PROBABILITY OF AN INVASION OF YUGOSLAVIA IN 1951

### THE PROBLEM

To assess the capabilities and intentions of the USSR and its European Satellites with respect to action against Yugoslavia during 1951.

### CONCLUSIONS

1. The ultimate Soviet objectives in Yugoslavia are to eliminate the Tito Government, to replace it by a regime subservient to the USSR, and to integrate Yugoslavia politically, economically, and strategically into the European Satellite structure. The USSR has not, however, indicated that it intends to try to eliminate the Tito regime regardless of the cost or within any specific period of time.

2. It is unlikely that during 1951 the Tito regime could be overthrown by a Soviet-inspired coup or by internal revolt. Therefore, the USSR would have to resort to Satellite or Soviet-Satellite invasion if it intended to overthrow Tito in 1951.

3. The continuing military build-up in the neighboring Satellite states (increase in armed forces, stockpiling, re-equipment, gasoline conservation, stepping-up of war industry, etc.) has reversed the previous balance of military strength between the Satellites and Yugoslavia and has given the Satellites the capability of launching a major invasion of Yugoslavia with little warning.

4. A major, sustained invasion of Yugoslavia employing the Satellite armies under Soviet central direction and given full logistical support by the Soviet Union has the capability of forcing the Yugoslav Army back into the mountainous region along the Adriatic and of gradually extending control of the principal communication lines to the major centers of that redoubt. The Yugoslavs would continue to resist, however, and would conduct guerrilla operations long after the collapse of formal military resistance.

5. Combined Soviet-Satellite forces could successfully invade Yugoslavia, overcome formal military resistance, and eventually render guerrilla operations ineffective.

6. Yugoslav capabilities and morale are such that substantial and continuing Western assistance in military supplies and equipment would probably enable Yugoslavia to maintain organized resistance to a Satellite attack indefinitely, at least in the mountain area. Such assistance could extend the period of resistance even in the case of a full-scale Soviet-Satellite attack. Any Western matériel sent would have to be adapted to the special requirements of Yugoslav forces. Moreover, to be effective to Yugoslavia in the initial stages of an invasion, it would have to be delivered well in advance of hostilities.

7. Continuing large-scale Satellite military preparations indicate that the groundwork is being laid for a possible invasion of Yugoslavia. These indications do not, however, provide conclusive evidence of an intention to attack Yugoslavia since there has been a military build-up in the other Satellite states in addition to the ones adjacent to Yugoslavia and since, in the case of Bulgaria and Albania, the military preparations could point to an attack on Greece or Turkey as well as Yugoslavia. Moreover, there is no conclusive evidence that military preparations pointing toward a Satellite attack on Yugoslavia are timed for an attack in 1951. Cominform propaganda since July 1950 has consistently advanced arguments that could be used to justify a Satellite attack on Yugoslavia, but there has been no recent trend in such propaganda suggesting an attack at an early date. [2]

8. On the basis of intelligence available we are unable to determine whether the Kremlin has made a decision to attack Yugoslavia. The Kremlin may estimate that in 1951 such an attack by the Satellites could be carried through successfully without incurring effective Western intervention or precipitating general war. On the other hand, the Kremlin may estimate that the Western Powers would give largescale support to Yugoslavia, in the event of an attack, thereby making the operation difficult and costly and creating a greater risk of general war than the USSR was willing to accept. Finally, the Kremlin may be fully prepared for the eventuality of general war and may launch an attack on Yugoslavia regardless of the risks involved. Although it is impossible to determine which course the Kremlin is likely to adopt, we believe that the extent of Satellite military and propaganda preparations indicates that an attack on Yugoslavia in 1951 should be considered a serious possibility. We believe further that such an attack, if launched, would be made by Satellite forces with "unofficial" Soviet assistance as required. [3]

---

[2] On May 4, NIE-29/1 ("Review of the Conclusions of NIE-29 'Probability of an Invasion of Yugoslavia in 1951' ") was issued and it contained the following summary:

"There have been no major changes in Soviet strength or dispositions that bear upon the likelihood of an attack by Soviet forces in 1951. However, Satellite capabilities for initiating an attack on Yugoslavia with little or no warning have increased, and Satellite military preparations are continuing." (INR files, NIE series)

[3] In an Intelligence Estimate prepared by the Office of Intelligence Research in the Department of State and circulated as I.E. No. 16 of March 5 ("Extimate of Probable Western and Soviet Reaction to Alternate U.S. Policies Concerning an Attack on Yugoslavia in 1951"), the following conclusion was made:

"U.S. warnings would probably not prevent a Soviet-supported Satellite attack on Yugoslavia since Soviet decisions concerning such an attack would be controlling and since any Soviet decision in favor of such an attack would have taken into con-

*Continued*

[Here follows the remainder of this estimate, a five-page section entitled "Discussion", elaborating on the conclusions outlined above.]

---

sideration the strong possibility of U.S. intervention. A major U.S. program of logistic aid designed to build up military strength in Yugoslavia and throughout the Eastern Mediterranean might well, however, stimulate a Kremlin decision in favor of an early Soviet-supported Satellite attack on Yugoslavia." (768.5/3-551)

## No. 877

768.5-MAP/3-1951

*The Yugoslav Ambassador (Popović) to the Secretary of State* [1]

No. 4075

The Ambassador of the Federal People's Republic of Yugoslavia presents his compliments to the Honorable the Secretary of State and with reference to the latter's Note of January 26, 1951, [2] has the honor to express, on behalf of his Government, his appreciation for the food granted by the Government of the United States to the people of Yugoslavia to overcome the difficulties arisen following the drought during last year. The Government of the Federal People's Republic of Yugoslavia views this decision of the Government of the United States as a new confirmation of the traditional friendly ties existing between the people of Yugoslavia and the United States of America and as a further step towards the strengthening of these ties and of mutual understanding. This assistance will be, at the same time, a considerable contribution to

---

[1] This note was delivered by Yugoslav Embassy Counselor Sardelic to Campbell on March 20. Campbell's brief memorandum of his conversation with Sardelic at the time of the delivery commented upon the circumstances and implications of the delivery as follows:

"In handing me the note Mr. Sardelic said that his government felt constrained to state its own position in regard to the allegations or implications of our note, this position being that the Yugoslav Government rested on consent of the people and that liberties were not suppressed or destroyed. I said that there was obviously a fundamental difference of view on this question and that it would not be particularly profitable for the two of us to enter into lengthy discussion about it. Apparently, judging from (1) the wording and tone of the note, (2) the fact that, as Mr. Sardelic took care to point out, they do not intend to publish it, and (3) the fact that it was handed by Sardelic to me rather than by the Ambassador to the Secretary or Mr. Perkins, the Yugoslav Government does not wish to stir up this issue nor to engage in public controversy on it, but obviously felt that our note could not be left unanswered." (868.03/3-2051)

[2] Not printed, but see the memorandum of conversation by Bonbright, Document 837.

the increase of the economic strength and thereby also to the defense capacities of the Federal People's Republic of Yugoslavia.

However, in view of the emphasis made by the Honorable the Secretary of State in the Note under reference to the effect that the provision of assistance should not be interpreted as implying endorsement of measures undertaken by the Government of the Federal People's Republic of Yugoslavia suppressing or destroying religious, political or economic liberty in Yugoslavia, the Ambassador of the Federal People's Republic of Yugoslavia considers it necessary to point, on behalf of his Government, to the following:

There are few nations in the world that have through their history and particularly in the course of the last war and afterwards, sustained such enormous sacrifices as the people of Yugoslavia in their fight for the preservation and safeguard of their liberty and independence. In this superhuman struggle the people of Yugoslavia have built up and consolidated their people's authority the character and essence of which is fully inconsistent with any political, religious, economic and racial discrimination whatsoever.

Both the internal and external policy of the Government of the Federal People's Republic of Yugoslavia is in harmony with the interests and strivings of the people of Yugoslavia. The support the people of Yugoslavia are offering to their Government in the carrying out of such a policy has found its best expression in the judgment of its activity by the representative bodies elected freely and in a democratic way, to whom the Government of the Federal People's Republic of Yugoslavia is solely responsible.

The Ambassador of the Federal People's Republic of Yugoslavia avails himself [etc.]

WASHINGTON, March 19, 1951.

---

## No. 878

768.5-MAP/3-2051

*Memorandum by the Assistant Secretary of State for European Affairs (Perkins) to the Secretary of State*

SECRET [WASHINGTON,] March 20, 1951.

Subject: Aid to Yugoslavia

*The Problem:*

To obtain Secretary's instructions as to whether he approves of appropriate officers of the Government consulting with Congressional leaders and also with members of NATO with a view to a possible finding by the President that the extension of further aid

to Yugoslavia under the MDAA contributes to the preservation of the peace and security of the North Atlantic area.

*Discussion:*

At the meeting of ISAC on March 16, [1] agreement was reached to recommend the immediate extension of economic assistance to Yugoslavia in a sum up to $29 million from MDAP funds for the purchase of raw materials immediately required by Yugoslavia, as based on the needs of its armed forces. The ISAC decision was made pursuant to NSC 18/6, [2] which reads in part:

"2. In the light of the preceding paragraph and of the increased threat of an attack on Yugoslavia, the United States should as a matter of urgency:

> "a. Expedite the provision of economic assistance to Yugoslavia under NSC 18/2, [3] taking the necessary steps, including possible use of funds appropriated to foreign aid, to avert danger of serious deterioration or collapse of the Yugoslav economy."

In order to extend aid to Yugoslavia under the MDA Act we must comply with Section 408(c) which provides:

"Whenever he determines that such action is essential for the effective carrying out of the purposes of this Act, the President may from time to time utilize not to exceed in the aggregate 10 per centum of the funds and contract authority made available for the purposes of any title of this Act for the purposes of any other title, or in the event of a development seriously affecting the security of the North Atlantic area for the purpose of providing military assistance to any other European nation whose strategic location makes it of direct importance to the defense of the North Atlantic area and whose immediately increased ability to defend itself, the President, after consultation with the governments of the other nations which are members of the North Atlantic Treaty, finds contributes to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States. Whenever the President makes any such determination he shall forthwith notify the Committee on Foreign Relations of the Senate, the Committee on Armed Services of the Senate and of the House of Representatives, and the Committee on Foreign Affairs of the House of Representatives".

It is thus apparent that the normal procedure for supplying aid under this Section of the Act would be (1) the President would consult with members of NATO for the purpose indicated, and (2) he

---

[1] Regarding the recommendation of ISAC on aid to Yugoslavia, see the memorandum by the Foreign Aid Committee, Document 874.

[2] Not cleared for publication at the time this volume went to press.

[3] Regarding NSC 18/2, see the editorial note, *Foreign Relations*, 1949, vol. v, p. 868.

would notify the appropriate committees of the Congress of his finding that aid to Yugoslavia contributes to the preservation of the peace and security of the North Atlantic area and is vital to the security of the United States. There is no requirement for Congressional consultation prior to the Presidential finding—the Committees are merely notified of the finding after it is made. It is nevertheless the view of ISAC, in which I concur, that leaders of the Committees should be consulted informally before such finding is reached.

The question has been raised whether these consultations with the NATO and with the Congressional leaders should be undertaken without prior clearance with the President, particularly as the consultation under the Act with the members of NATO must be in his name. One argument against this prior clearance is the time element. It is important to get the consultative machinery started, as the NATO deputies as well as Congress will soon leave for an Easter recess. Another argument is the probability that the President's approval of NSC 18/6 is sufficient for our present purposes. Nevertheless, if you have any doubt as to the President's possible reaction to the use of MDAP funds for this urgent and immediate purpose, you may wish to raise the matter with him before we proceed further.

*Recommendation:*

1. It is recommended that you indicate on the attached copy of this memorandum whether or not you wish to consult the President before we, in turn, raise this question with the NATO countries and the Congressional leaders.

2. If your answer is in the affirmative, it is recommended that, in light of the urgency expressed in NSC 18/6 and of the impending Easter recess, you seek to obtain the President's approval by telephone. [4]

---

[4] A marginal notation on the source text indicates that this memorandum was included among the briefing materials prepared for the Secretary for his meeting with President Truman on March 23. According to a brief memorandum, the Secretary of State discussed aid to Yugoslavia with the President:

"I acquainted the President with the steps which had been taken, including the request to Mr. Spofford to consult with the NATO Deputies and the action of Messrs. Perkins and Coolidge in consulting with Congressional Committees.

"The President approved of these steps and said that he would be prepared to act on the matter next week when we had a final report to make to him." (Secretary's Memoranda, lot 53D444)

## No. 879

740.5/3-2151: Telegram

*The Secretary of State to the United States Deputy Representative on the North Atlantic Council (Spofford), at London* [1]

SECRET NIACT WASHINGTON, March 21, 1951—1 p.m.

Todep 312. When Yugo Govt requested food assistance from US last fall because of Yugo drought, it indicated aid in addition to food needed in sum of $50 million for raw materials which could not be imported and paid for as planned with agricultural exports because of drought. We informed Yugo Govt we prepared to extend food assistance immed and wld continue discuss with it needs for raw materials and other supplies. Subsequent analysis Yugo econ situation indicates immed need for raw material imports if Yugo economy is not to risk serious deterioration with resulting weakening of its capacity to resist aggression in a most threatening internatl situation. Accordingly we contemplate extending immed assistance in form of raw materials and other supplies in amts and kinds equivalent to consumption needs for supporting the Yugo armed forces. Value of this assistance will not exceed $30 million to be financed from funds appropriated under MDAA. Before extending assistance to Yugo under that law, Pres must find that provision of mil assistance to Yugo will contribute to preservation of peace and security No Atl area and is vital to security US. This finding Pres may make, under law, only after he has consulted with govts other nations which are members No Atl Treaty. For further background see circ Tomap 114 Nov 3, 1950. [2] Because of necessity for creating a written record showing consultation, it is desired that in addition bringing foregoing matter attn Deputies before they leave for Easter Recess you provide each Deputy with memo which shld read substantially as fols:

"Reference is made to the *Aide-Mémoire* provided the ———— Govt by the US Govt last Nov respecting the provision of assistance to Yugo in mtg the critical food shortage in that country. [3] The US Govt is considering the provision of further assistance to the Yugo Govt to fin the importation of raw materials and other supplies needed by the Yugo Govt, which wld otherwise have been imported and paid for by the Yugo Govt with agricultural exports. The US

---

[1] Drafted by Vigderman and Higgs and cleared with Labouisse, ECA, Defense, and S/ISA. Repeated to Paris, Rome, The Hague, Ottawa, Oslo, Copenhagen, Brussels, Luxembourg, Lisbon, Reykjavik, and Belgrade.

[2] For text, see *Foreign Relations*, 1950, vol. IV, p. 1494.

[3] Regarding the Yugoslav Emergency Relief Assistance Act, see the editorial note, *ibid.*, p. 1507.

Govt is considering this course of action for the reasons stated in the earlier *aide-mémoire*.

I am instructed to confirm that the Govt of ———— continues to believe that the immed increased ability of Yugo to defend itself will contribute to the preservation of the peace and security of the No Atl area, keeping in mind the direct importance to the defense of the No Atl area of the strategic location of Yugo and the serious effect on the security of the No Atl area resulting from the drought in Yugo because of its effect on the ability of the Yugo Govt to import raw materials and other supplies which in amounts and kinds are equivalent to the consumption needs for supporting the Yugo armed forces". [4]

You shld remind the Deputies in this connection of your observations to the Deputies reported para 4 Depto 52, page 13. [5] If Deputies cannot give response of their govts immed, we request that their govts reply individually through our missions their countries directly to us at earliest possible moment, to reach us preferably not later than Mar 26.

ACHESON

[4] In telegram Depto 663 from London, March 22, Ambassador Spofford reported that upon receipt of the telegram printed here, a meeting of the political working group of the Deputies had been convened and each representative had been handed an *aide-mémoire* embodying the substance of the proposed communication quoted here. The representatives were also given orally the further background information furnished here. The British representative agreed immediately and there was no indication of disagreement from any of the other representatives. (740.5/3-2251) The text of the *aide-mémoire* given the NATO representatives on March 22 was transmitted in telegram Depto 664 from London, March 22. (740.5/3-2251) Between March 24 and March 30, all NATO governments responded favorably to the proposal set forth in the U.S. Delegation's *aide-mémoire* of March 22.

[5] The document cannot be further identified.

## No. 880

768.5/3-2351: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

TOP SECRET WASHINGTON, March 23, 1951—7 p.m.

991. Fol FYI only:

[1] Drafted by Huston and cleared with Reinhardt. Repeated to London and Paris. In a memorandum of April 16 to Matthews, Major General Burns indicated that the telegram printed here had not been cleared with the Department of Defense and asked that, pending the completion of a study by that Department of the needs and procedures for consultations with Yugoslav officials, the U.S. position on such consultations be held in abeyance. In a letter of reply of April 24, Matthews explained that this telegram was formulated in pursuance of discussions which Perkins and Nitze had with the Joint Chiefs of Staff on March 21. Matthews expressed regret

*Continued*

1. Brit Emb conveyed orally to Dept Mar 8 fol proposals Brit Govt re list Yugo mil requirements which it received from Djilas during London visit: [2]

(a) Brit Govt shld inform Yugo Govt it agrees in principle endeavor fill Yugo requirements subj availabilities and suggest to Yugos that minimum essential needs be discussed either by service attachés of three Western Govts and Yugo auths in Belgrade or by Yugo experts and representatives three govts in Washington.
(b) Brit Govt shld seek US and Fr concurrence foregoing meanwhile submitting Yugo list for consideration Tripartite Working Group in Washington to determine what items can be supplied in immed future and effect delivery these items to Yugo wld have on other commitments.
(c) In light these investigations three govts shld determine priorities attaching to items to be supplied to Yugo. [3]

2. Dept has today given Brit Emb oral reply as fol:

(a) US agrees Brit proposal reconvening Tripartite Working Group for reassessment at technical level of Yugo mil requirements, including those indicated in list provided Brit Govt by Djilas, and of present and prospective availabilities to meet requirements. US considers tripartite discussions shld be opened at early date and, if no objection from Brit viewpoint, Dept will inform Fr Govt and suggest opening discussions here Apr 2.
(b) Dept has no objection to intention of Brit Govt inform Yugo Govt it is examining Yugo list together with US and Fr Govts to determine what items can be supplied in light of availabilities, priorities and other factors. Dept prefers discussions with Yugo technical experts be held in Belgrade but wld agree holding them in Washington or be glad consider any alternative arrangements suggested by Yugos.
(c) USG will be glad to examine with Brit and Fr Govt in light of proposed tripartite investigation question of priorities to be attached to items supplied to Yugo. [4]

ACHESON

---

that the message was not further cleared with the Department of Defense. (768.5/4-1651)

[2] Regarding the Djilas visit to London and the list of Yugoslav military requirements supplied by him, see telegrams 4198 and 4485 both from London, Documents 847 and 863.

[3] In telegram 5829 from Paris, March 31, the Embassy reported that the considerations set forth here were the subject of a British Embassy *aide-mémoire* delivered to the French Foreign Ministry on March 30. (768.5/3-3151)

[4] Telegram 5103 to Paris, March 29, authorized the Embassy to inform the French Foreign Ministry that the Department of State had agreed to the British proposal to reconvene the Tripartite Working Group to discuss the Yugoslav list of military requirements. (768.5/3-2951) Telegram 5829 from Paris, March 31, reported that the French Foreign Ministry had been informed of the proposed action, was in full agreement, and would issue the necessary instructions. (768.5/3-3151) Regarding the meetings of the Tripartite Committee on Military Assistance to Yugoslavia, see Document 887.

## No. 881

868.00/3-2351

*Memorandum by George E. Truesdell of the Office of Eastern European Affairs* [1]

CONFIDENTIAL [WASHINGTON,] March 23, 1951.

MEMORANDUM OF CONSULTATION WITH THE FOREIGN RELATIONS COMMITTEE, HOUSE OF REPRESENTATIVES, CONCERNING THE USE OF MDAP FUNDS FOR RAW MATERIALS ASSISTANCE TO YUGOSLAVIA

Mr. George W. Perkins, Assistant Secretary of State for Economic [*European*] Affairs, and Mr. Paul Porter, Deputy Administrator, Economic Cooperation Administration, accompanied by General S.L. Scott of the Department of Defense, Mr. Theodore Tannenwald of the office of Mr. Averell Harriman, Mr. Ben Brown, Department of State and Mr. George E. Truesdell, Department of State, comprised the administration group undertaking the consultations.

Mr. Mike Mansfield was acting chairman of this meeting of the Foreign Relations Committee. Members present included:

Mr. Laurie C. Battle
Mr. Omar Burleson
Mr. Charles A. Eaton
Mr. Chester M. Merrow
Mr. Walter H. Judd

Mr. Perkins explained the nature of his visit to the Committee and stated that it was his desire to consult with the Committee before any action was taken by the President and before the President notified the Congress of his intention to use MDAP funds for Yugoslavia. He said that the economic problem in Yugoslavia had been intensified by a drought but there would be such economic problems in Yugoslavia whether or not a drought had occurred. He said that the Department has been investigating the economic conditions in Yugoslavia and that this investigation was continuing. He said that the problem had been divided into two parts. As to the longer term problem it was hoped to present a connected story at the time of presentation of the new Foreign Assistance Act and

[1] Attached to the source text, in addition to several statements prepared in the Department of State concerning Yugoslav funds frozen in the United States and provisions for feeding needy persons under the Yugoslav aid program, was a covering memorandum by Truesdell. For the published account of the testimony of Perkins, Truesdell, *et al.*, before the Foreign Affairs Committee on March 22, see U.S. House of Representatives, Committee on Foreign Affairs, *Selected Executive Session Hearings of the Committee, 1951–56*, vol. XV, European Problems (Washington, 1980), pp. 7 ff.

mentioned that the IBRD was considering providing the needed capital to place the Yugoslav economy on a going basis. As to the current problem, approximately $70 million of assistance was needed for items which the Yugoslavs apparently could not finance from their own resources. He said that the British Government was expected to extend a credit to Yugoslavia this week in the amount of four million pounds and it was hoped that other European countries could assist by funding current overdrafts and debts. It is believed this action by the British and European countries should leave a balance of approximately $30 million for United States assistance under the MDAP.

Mr. Perkins explained that the Yugoslav problem was one of obtaining raw materials, a substantial part of which was needed for the armed forces. He said that any commodities furnished would be of types requested for the Yugoslav military establishment and the quantities would be within the total military needs and that $100 million of imports are required by the Yugoslav military establishment during the current year which amount is approximately one-third of total Yugoslav imports for that period. It was stated that it would be necessary to revise the bilateral agreement previously concluded with Yugoslavia in connection with food assistance provided under the MDAP. Mr. Perkins advised that it would be necessary to send some further personnel to Yugoslavia to observe and advise concerning this program and that it was hoped to establish a mission for this purpose, the vanguard of which would be sent to Yugoslavia in the near future to obtain the data required. Mr. Perkins went on to say that the NATO was now being consulted and that the President would make a finding and notify the Congress as required under Section 408(c) of the MDA Act. He said that the United States would purchase the raw materials but at this time it is impossible to say exactly what they would be and that the aid would be in the nature of a grant.

Mr. Perkins explained that the aid to the military would of course liberate other Yugoslav financial resources for the purchase of commodities which could be used by the civilian population. He said that consumer commodities were greatly needed in Yugoslavia and that in effect this program would be a double approach, first to help the military and second to help the general economy.

In response to a question Mr. Perkins stated that he did not believe that the Yugoslavs would be attacked this spring. A question was asked if India could furnish to Yugoslavia any of the items needed in return for the wheat to be provided by the United States. In response Mr. Perkins stated that India was outside of his sphere of operations and that he was not in a position to answer although

he did say that some items such as jute were on the Yugoslav requirements list.

Questioned as to whether or not this was a one-shot operation Mr. Perkins replied in the negative saying that it was expected to again approach the Congress for further aid for the next fiscal year. He said that of course the IBRD would handle any capital needs for a long range program. Mr. Perkins stated in reply to another question that among the other European countries interested were the Belgians, the French and the Dutch.

Mr. Perkins was asked concerning the relationship between Yugoslavia and the Soviet Satellites in Eastern Europe and in reply stated that it was not believed that the Satellites themselves were in a position to overrun Yugoslavia.

Mr. Perkins stated that our interests in Yugoslavia were very great since Yugoslavia was most important to our strategic interests. In response to a question as to the continuing needs of Yugoslavia Mr. Perkins stated that according to Yugoslav estimates aid in the amount of approximately $70 million would be needed in the second and third quarter of this year and thereafter further needs would be on a descending scale.

Questioned concerning our judgment as to whether other European countries would provide assistance, Mr. Perkins stated that we were not reasonably sure at this time although every effort would be made to induce them to do so. Mr. Perkins stated that none of the total of $30 million to be utilized would be for foodstuffs. He stated that the Yugoslav Government had asked for grant assistance. There was some discussion concerning counterpart funds in return for the aid to be rendered. Mr. Perkins stated that it was not usual to ask for counterpart for MDAP aid but that counterpart would be furnished to take care of the administrative expenses of this Government in Yugoslavia.

Mr. Judd asked concerning the urgency of the program, in reply to which Mr. Perkins stated his belief that the Yugoslavs could not hold out until the fall. He said that in his judgment Yugoslavia could get out of the red in the next three years.

Mr. Mansfield inquired concerning Yugoslav funds frozen in the United States and was advised that all previously frozen Yugoslav funds had been released at the time of the Claims Settlement. Mr. Mansfield then asked if the Department could furnish to him information concerning what Yugoslav funds had been frozen before the Claims Settlement. In reply to a further question by Mr. Mansfield as to why it would not be possible to provide this assistance on a loan basis Mr. Perkins stated that the Yugoslavs were already in a greatly over-extended credit position which made it most difficult for further credits to be granted by European countries.

Mr. Mansfield then read a prepared questionnaire concerning the legality of furnishing this assistance to Yugoslavia under Section 408(c) of the MDA Act. It was agreed that a formal legal opinion on the law would be furnished to the Committee.

Mr. Mansfield then raised the question on the religious situation in Yugoslavia stating in measured terms that nothing was being done. He said that unless reforms were forthcoming soon it would be very difficult to get a bill through Congress providing any aid to Yugoslavia.

Mr. Judd expressed his opinion that economic recovery in Yugoslavia could not be accomplished until changes were made in Yugoslavia.

Mr. Judd also questioned the apparent failure of the Department to set up a dinar fund to provide food for needy persons. A statement concerning the latter is being furnished to the Committee staff.

---

## No. 882

768.5-MAP/3-2451: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

SECRET WASHINGTON, March 24, 1951—6 p.m.

998. Tomap. In likely event Pres, after current consultations with Congressional leaders and deputies other NATO countries, determines that US should assist Yugo in its present raw material crisis, pursuant Section 408 (c) Mutual Defense Assistance Act, it is presently contemplated you be asked exchange notes with Yugo Govt along lines transmitted in immed fol tel [2] only for your comment.

May be that current Congressional consultation will reveal necessity additional undertakings from Yugo Govt in connection raw materials, etc., supplied by US. You will be kept informed.

At time you are instructed present note Yugo Govt, you may state US contemplates extending immed assistance in form of raw materials and other supplies in amounts and kinds equivalent to certain consumption needs for supporting the Yugo armed forces.

---

[1] Drafted by Warren A. Silver of the Office of International Security Affairs and cleared with Bray, EE, OFD, L/E, the Department of Defense, and ECA. Repeated to London and Paris.

[2] Telegram 999 to Belgrade, March 24, contained the draft note which was virtually identical with the note addressed by Ambassador Allen to the Yugoslav Government on April 17. (768.5-MAP/3-2451) Regarding that note, see Document 892.

In your discretion you may add it was originally contemplated here that US might send mission to consult with and advise Yugo Govt in connection with assistance requested and being furnished. We have preferred, however, rely at least for time being upon Emb staff, suitably augmented as may be necessary. [3]

Five percent counterpart provision is included to make terms on which this assistance is granted consistent with those on which economic portions of mil assistance generally will be extended elsewhere.

ACHESON

[3] In telegram 1045 to Belgrade, April 3, the Department of State informed the Embassy that preliminary thinking favored the establishment within the Embassy of a separate, enlarged economic section integrating ECA personnel in order to deal with economic assistance to Yugoslavia. (768.5-MAP/4-351)

## No. 883

868.10/3-2951

*Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Perkins)* [1]

CONFIDENTIAL [WASHINGTON,] March 29, 1951.

Subject: Western Aid to Yugoslavia

Participants: Ambassador Popovic, Yugoslav Embassy
Mr. Filipovic, Yugoslav Embassy
EUR—Mr. Perkins
EE—Mr. Truesdell

Ambassador Popovic called on his initiative this morning for the stated purpose of presenting a formal request for assistance in solving the Yugoslav current deficit. [2] The Ambassador pointed out that the Yugoslav needs had already been discussed here in Washington with Mr. Perkins and other officials and in Belgrade with Ambassador Allen. He said that he was at the disposal of the United States Government to supply any further information that might be required in analyzing the Yugoslav need.

The Ambassador stated that the request was based on material already available to the Department. He said that the drought, the Cominform economic blockade and extraordinary national defense requirements had all contributed to the present Yugoslav plight and the resulting current deficit for the present calendar year esti-

[1] Drafted by Truesdell.

[2] Ambassador Popvic's eight-page note of March 29 is in file 868.10/3-2951.

mated at $153.4 million, and a deficit for 1952 estimated at $26.2 million. The Ambassador stated that the deficit for the two years would amount to a total of $179.6 million if price factors remain constant or, if prices continue to increase as they have during the past year, the total would rise to about $215 million. It was noted by the Ambassador that these figures were based on the economic analysis of Yugoslav economists and, of course, would be subject to the views of the United States which were eagerly awaited. He said that the Yugoslav Government was taking all possible steps to solve its own problems such as internal savings and organizational measures.

The Ambassador then referred to the proposed long-term investment program and stated that if this program were realized Yugoslavia should be able to raise its standard of living and meet its obligations to foreign countries by 1953 or 1954. In this connection the Ambassador pointed out that at his last meeting with Mr. Perkins [3] they had discussed the question of capital loan of approximately $225 million which had been agreed to by the IBRD but was conditioned upon a solution to the Yugoslav current deficit. The Ambassador stated that this was another factor which led his government to request assistance bearing in mind the understanding of the United States Government of the Yugoslav situation as evidenced by the food relief program. The Ambassador noted that the request did not name a definite amount of assistance but presented the case for consideration of this Government.

The Ambassador emphasized the urgency of the needs of his Government for the second and third quarter of the calendar year and expressed his hope that a speedy solution could be found. He said his people and his Government would appreciate the continued understanding of this government toward the Yugoslav problem.

I told the Ambassador that we are hopeful that some funds may be released shortly to help meet the immediate problem and that I had been consulting with the Congress to this end. As to the longer term problem, I said that it was our hope that the study with the British could be completed within a few weeks and that a program could be formulated. Ambassador Popovic emphasized the pressing Yugoslav needs for the coming two quarters and concluded by reit-

---

[3] Ambassador Popović had called on Assistant Secretary Perkins on March 14 in order to make known current Yugoslav economic needs and to obtain any possible information on the progress made by the U.S. Government in studying the problem. Perkins pointed out that the problem of assistance to Yugoslavia was a complicated matter involving not only the United States and the United Kingdom but other countries as well. As far as the United States was concerned, it was necessary to go to Congress with a firm program based on a thorough study of the whole complex of issues. The United States was working very hard on the problem, but no solution had been arrived at. (Memorandum of conversation, March 14, 868.00R/3-1451)

erating his view that any new discussion with the IBRD would cause such delays that it would create a difficult situation for his Government.

G[EORGE] W. P[ERKINS].

---

## No. 884

768.5-MAP/4-251

*Memorandum by the Assistant Secretary of State for Congressional Relations (McFall) to the Under Secretary of State (Webb)*

CONFIDENTIAL [WASHINGTON,] April 2, 1951.

Subject: Report to the President on Congressional Consultation on Yugoslav Aid under the MDAA

The Secretary informed the President that aid to Yugoslavia under MDA to the extent of approximately $30 million was being planned and that Congressional consultation was in process. It was originally planned that Assistant Secretary Perkins and representatives of the other interested agencies would consult with the Foreign Relations, Foreign Affairs, and representatives of the two Armed Services Committees.

Consultation with the Foreign Relations and Foreign Affairs Committees has been completed. The reaction of the Foreign Affairs Committee was favorable. Senator Connally indicated his present dislike of the proposal but also that he might change his mind. Francis Wilcox is checking with him further and it is our belief that the Senator will not actively oppose the plan. Senator Smith, the only other Committee member present, was favorable. Senators Russell, Bridges and Saltonstall of the Armed Services Committee were invited to participate in the consultation with the Foreign Relations Committee, but did not attend the meeting. No consultation has been had with the members of the House Armed Services Committee. I have asked Mr. Perkins to inform Senator Russell by letter of the proposal as presented to the Foreign Relations Committee. Inasmuch as the House Armed Services Committee does not participate in the consideration of the MDA legislation and has not previously been consulted on Yugoslav aid, it has been decided that we need not seek consultation with that Committee at this time.

Since the President was informed of the proposed Congressional consultation, it would seem necessary to report to him on the status of consultation before finalizing our plans for such aid to Yugoslavia.

*Recommendation:*

That you report the result of the consultation to the President in your meeting with him today and inform him that we are ready to proceed if he concurs. [1]

[1] The subject of aid to Yugoslavia was one of the topics discussed between President Truman and Secretary of State Acheson at their meeting of April 2. According to the Secretary's brief memorandum of conversation on the subject, the President was given a brief review of Congressional consultation and he approved of proceeding as recommended. (Secretary's Memoranda, lot 53D444)

## No. 885

651.68/4-551: Telegram

*The Chargé in France (Bohlen) to the Secretary of State* [1]

SECRET PARIS, April 5, 1951—9 p.m.

5968. Charpentier has informed us he believes all outstanding points in French-Yugo negotiations (Embtel 5620 Mar 21 rptd London 1373 Belgrade 96 [2]) have now been settled. He states definitive agreements being drafted with signature hoped for in 5 or 6 days. [3] Overall agreement will comprise following:

1. A trade agreement.
2. Arrangements for payment of Yugo Govt direct and indirect debt. French have agreed to elimination of Banque Ottomane debt as indirect obligation Yugo Govt and indirect category therefore includes only "Caisse Commune" and Danube-Save-Adriatic railroad.
3. Compensation for nationalized industries involving payment of $15 million in period 10 to 12 years.

(Funds for debt payment and for payments on account of nationalized industries will be obtained through establishment of sliding scale percentage surcharge on Yugo exports to France. This percentage, to be paid by French importer of Yugo products into franc fund here, will begin at 7 percent first year and be increased to 12 percent. It is expected that in first year deposits will amount to

[1] Repeated to London and Belgrade.

[2] Telegram 5620 reported that the French-Yugoslav negotiations on these agreements were still pending. (651.68/3-2251)

[3] In telegram 6245 from Paris, April 16, the Embassy reported that the agreements described here were signed on April 14. (651.68/4-1651) The texts of the French-Yugoslav trade agreement and the agreement on compensation for nationalized French property were subsequently made public.

On April 19, 5 days after the French-Yugoslav agreements were signed, representatives from the Federal Republic of Germany and Yugoslavia concluded an economic agreement whereby Yugoslavia received a $10 million credit to pay for exports from Germany. A description of this agreement was sent to the Department of State in telegram 8507 from Frankfurt, April 19. (462A.6831/4-1951)

equivalent of about 1½ million dollars. This will be divided ⅔ to debt repayment and ⅓ to compensation for nationalized industries).

4. Agreement on war materials. This involves a cash payment of about one billion francs (already made) and 5 year credit at an interest rate of about 1 percent amounting to 5 billion.

French Govt has already indicated its support of Internatl Bank loan to Yugo of which equivalent of $23 million wld be in Fr francs and wld be devoted by Yugos to purchase of investment goods in France.

In course of conversation Charpentier reiterated French interest in Brit/US discussions of subject general econ assistance to Yugo. In reply Emb officer stated observations on this subject (Embtel 5830 Mar 31 rptd London 1432 Belgrade 101 [4]) had been conveyed to Dept.

BOHLEN

[4] Not printed.

## No. 886

868.10/4-351: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

SECRET WASHINGTON, April 6, 1951—7 p.m.

4571. For Yugo Econ Group. [2] Ref Embtels 5204 and 5243. [3] Dept and ECA had informal talk IBRD Rep to ascertain status Yugo loan and obtain info requested reftels. [4] Clearly understood informal talks in no sense negot and no commitments made. Results discussions supplied for your background info only and shld not be taken as IBRD position.

A. *Status IBRD and Yugo Loan.* Appears that IBRD will undertake long term credits to Yugo once satisfied that adequate ar-

[1] Drafted by Malenbaum, Springsteen, and Labouisse and cleared with EUR, EE, and ECA.

[2] Concerning the tripartite talks in London which dealt with the matter of economic aid to Yugoslavia and the U.S. delegation to these talks, referred to as the Yugoslavia Economic Group, see Document 870.

[3] Telegrams 5204 of April 3 and 5243 of April 4 from London reported that British officials regarded as highly desirable an approach to the IBRD on the Yugoslav economic situation prior to consultations with other European countries. American officials in London for the forthcoming conversations with the British on the Yugoslav economic situation felt it would be unwise to approach the IBRD until agreement had been secured from other European countries. (398.14/4-351 and 398.14/4-451)

[4] The memorandum of this conversation, which took place in the Department of State on April 4, is in file 868.10/4-351.

rangements being completed meet current deficits through fiscal 1952. Our best estimate is that Bank tentatively thinking magnitude this deficit $100 million which must be met by grant. Apparently immaterial to Bank where funds come from as long as contribution approximates $100 million. Once assured deficit will be met, technical matters, i.e. obtaining access to 18% funds, exchange of ltrs with YuGov, signing agreement, etc, wld require additional month. IBRD apparently prepared proceed when reasonably assured Exec Branches pertinent govts prepared to meet current deficit. It will not delay until legislative approval. Moreover, Bank will proceed on first $58 million in segments as countries authorize use of 18%. It does not plan to delay action until all countries involved have agreed to release 18% funds.

B. *Bank Participation in London Talks.* Brit Emb this week indicated interest having Bank Rep go London participate US–UK talks. Bank apparently prepared do so. Dept expressed view to both IBRD and BritEmb preferable first have US–UK (and possibly Fr) discuss question and reach agreement handling short-term deficit problem. IBRD cld participate, once these matters settled. Informed IBRD that question their participation wld be first order business London talks with idea that Bank if invited be informed in time for Rep depart by boat April 14. Decision invite and timing arrival IBRD will rest with US–UK group. Dept will await your communication this matter. Important thing is US–UK (and possible Fr) guidance to develop program to make available necessary grant money so Bank can act on loan. Conversations with third countries shld be planned and discussed against background of these countries additional loans through 18% IBRD funds. US view, however, that negots short-term contributions shld not be done jointly with negots various contributions IBRD loans since these are different in nature.

C. *Current Bank Thinking Detailed Yugo Loan.*

1. Bank contemplating $200 million capital loan, minus $50 million odd Yugo credits already negotiated Ger, Belg and Aust. Plans for $58 million well advanced with some equipment items already on order. IBRD hopes obtain Yugo assurance via exchange of ltrs no borrowing above $200 million ceiling. Believes Yugo also more receptive $200 million ceiling in view increasing unavailability additional sources capital equipment. IBRD believes it can guide use of all $200 million, especially in light of equipment shortages.

2. Re approach member countries on drawing first $58 million IBRD indicates Austria reply negative with rest still to answer. Feels Fr reasonably certain. Problem Ger contribution can be solved thru 18% contributions used via EPU, or second best, use of dols to buy DM.

3. Development projects for first $58 million worked out by Bank and YuGov. In view shortage imported capital goods essential these development plans, IBRD believes it can adequately assure adherence its development views.

4. Dept did not broach UK views (1) possibility Bank take over capital equipment loans already extended Yugo, (2) finance non-capital items imported for investment program,

thus reducing current acct deficit. Re (1), if referring to unutilized Ger, Belg, Aust credits, see Para C [*A*]. Problem real incorporation these credits into single $200 million IBRD transaction considered of secondary importance now. Problem cld be discussed with Bank Reps in London or, if US–UK group consider urgent, by US here. If you refer to "take-over" other credits than these, pls specify. Re (2), IBRD very specific their definition, agreed with YuGov, on current acct items. We believe extremely unlikely this definition will permit significant shift current acct deficit to IBRD capital financing. In first instance, at any rate, US–UK group, with assistance from third countries, shld attempt resolve problem of meeting current acct deficit per this definition thru fiscal 1952.

D. *Publicity re IBRD Participation shld be avoided.* Essential avoid implication US–UK negotiating IBRD loan Yugo. Bank feels strongly that any "negots" must be between IBRD and Yugo and wants to avoid creating impression that it is acting with the US–UK in the absence of the Yugos. If questioned in London suggest answer that IBRD contemplating long-term development loan Yugo and informally joining UK–US technicians who have been studying short-term problem in a mutual appraisal of the long-term situation.

ACHESON

---

## No. 887

*Editorial Note*

In response to the British proposal of March 8 concerning the reconvening of the Tripartite Committee on Military Assistance to Yugoslavia (see the memorandum by Perkins, Document 875), a proposal subsequently accepted by the United States and French Governments, tripartite discussions were begun at the Department of State on April 9. The United States delegation, led by Brigadier General George H. Olmsted, who was later selected as chairman of these meetings, was comprised of five additional representatives from the Department of Defense and five officials from the Department of State. Although all three delegations changed in size and in personnel during the sessions, the French delegation, headed by Gontran de Juniac, usually had three members while the British delegation, led by Brigadier General F. W. Gordon-Hall, usually numbered five representatives.

The Tripartite Committee, which had met during 1950 and had issued a final report in October of that year summarizing its findings, was not commissioned this time to issue a study but rather to serve as a forum for the exchange of information on the efforts of

the three countries to assist Yugoslavia through the supply of military equipment. The committee quickly agreed during its first meeting on April 9 that the need to assist Yugoslavia was greater now than it was last fall, that the West should make some military equipment available to Yugoslavia as soon as possible after joint consultations, and that direct military talks with Yugoslavia were necessary in order to clarify many of the items which they had requested. Subcommittees were appointed to compile a master list of Yugoslav needs and to estimate Western availabilities; the three subcommittees (Army, Navy, and Air) had one member from each of the three delegations. They were instructed to consider only immediate Yugoslav needs, not long-term needs, and they were not to concern themselves with the question of whether or not the Yugoslav requests were justified.

The meetings of the Tripartite Committee on Military Assistance to Yugoslavia paralleled the Tripartite Official Conversations on Economic Aid to Yugoslavia which were held in London (see Document 870); both groups began their official sessions on April 9. The meetings in Washington, hampered somewhat by numerous press leaks concerning their activities, were much less frequent than the London meetings; in fact only five sessions were held during 1951 (April 9 and 12, May 3, June 28, and November 29). None of the minutes or action summaries of these meetings is printed here; these records are in file 768.5.

---

## No. 888

768.5/3-251

*Memorandum by Robert P. Joyce of the Policy Planning Staff to the Deputy Under Secretary of State (Matthews)* [1]

TOP SECRET WASHINGTON, April 9, 1951.

Subject: Conversation with the Deputy Minister for Foreign Trade of Yugoslavia, Mr. Vladimir Velebit.

Mr. Vladimir Velebit telephoned Mr. Joyce early Friday morning, April 6, to say that he had returned to Washington from Belgrade last night. He stated that he would like an early appointment to meet with Mr. Reinhardt and Mr. Joyce. The appointment was arranged for 12:00 noon in Mr. Reinhardt's office. Mr. Velebit covered the following points in connection with the suggested con-

[1] Cleared with Reinhardt.

versations on a strategic level between the American and Yugoslav military authorities:

1. During his short visit to Belgrade, Mr. Velebit met with Marshal Tito and the top members of the Yugoslav Government. During the course of this meeting it was decided that there was an undesirable degree of uncertainty in Washington as to Yugoslav political and military intentions in case of an aggression in Europe. The Yugoslav Government decided that it was most desirable that this uncertainty should be cleared up at the earliest possible time.

2. The Yugoslav Government felt that the suggested visit to Yugoslavia by an American staff officer would not be sufficient but that rather the strategic conversations which the Yugoslavs desired should be raised to a much higher level.

3. Mr. Velebit had therefore been authorized by the Yugoslav Government to propose to the U.S. Government that General Kocha Popovic, Chief of the General Staff of the Yugoslav Army, should visit Washington. Mr. Velebit stated that General Popovic would be empowered by Marshal Tito to discuss top-level strategic matters and it was therefore hoped that the appropriate high officials of this Government would be prepared to enter into conversations with General Popovic.

4. General Popovic would be prepared to come to Washington at once if this proposal should be found acceptable by the U.S. Government. . . .

5. Should the U.S. Government agree to General Popovic's visit to Washington, the Yugoslav Government suggested that it would be desirable to agree upon a "program" covering the main topics to be discussed rather than to agree upon a more or less rigid "agenda". The Belgrade Government would also appreciate, should the suggested visit be accepted, receiving information as to the persons on the American side who would engage in discussions with General Popovic.

6. Mr. Velebit stated that General Popovic does not speak English but is fluent in French. He added that it was the intention of his Government to attach him, Velebit, to General Popovic in the role of advisor, assistant and interpreter.

7. In reply to a question, Mr. Velebit said that the Yugoslavs desired that these discussions should, in the first stage, be bi-lateral. He indicated that at a later stage and upon mutual agreement it would probably be desirable to bring in the British.

Mr. Velebit did not seem particularly concerned at the prospect that the visit to this country of General Popovic certainly could not be kept secret. He said that Popovic would travel under his correct christian name, Konstantine Popovic, and that naturally his passport would need a certain number of transient visas. He added that Popovic was, after all, the commonest name in Yugoslavia. In other words, Velebit indicated while he considered it desirable to minimize so far as possibly publicity and speculation with respect to such a visit he was not anxious that the visit of Popovic to the U.S. should be surrounded by a veil of secrecy.

Mr. Velebit stated that his Government would very much appreciate an early reply to the suggestion for Popovic's visit. He was advised that the matter would be put into the hands of higher authorities at once.

---

## No. 889

768.5-MAP/4-1251

*The Secretary of State to the President* [1]

SECRET [WASHINGTON,] April 12, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Notification by the President to Appropriate Congressional Committees of his Determination that it is Essential to Assist Yugoslavia.

On March 23, 1951, you orally approved [2] in principle a United States grant to Yugoslavia in accordance with the provision of the Mutual Defense Assistance Act of an appropriate dollar value (recommended to be not in excess of $29 million) in the form of raw materials and similar supplies in amounts and kinds equivalent to certain estimated consumption needs for supporting its armed forces. When you make any such determination, Section 408(c) of the Mutual Defense Assistance Act, as amended, requires that you forthwith notify certain Congressional Committees.

When Mr. Webb reported to you on April 2 [3] on the status of Congressional consultations on Yugoslav aid under the MDAA, he indicated that Senator Connally had expressed opposition to the proposal but that we expected him to change his position. Further check last week indicates that he still does not approve this aid.

Nevertheless, the Department considers such aid essential and is prepared to finalize action on this matter. I am therefore enclosing a draft letter to the Chairmen of the appropriate Committees of Congress.

*Recommendation:*

1. That you telephone Senator Connally stating that as required by the Act, you are about to inform the Chairmen of the Foreign

---

[1] This memorandum and the draft letter referred to in it were submitted to the Secretary of State for approval under cover of a brief explanatory memorandum of April 12 from Cabot; these documents had been drafted by Warren Silver of S/ISA and were cleared with McFall, Perkins, the Department of Defense, ECA, and L/E.

[2] Regarding this oral approval, see footnote 4, Document 878.

[3] This is presumably a reference to Secretary Acheson's meeting with the President on April 2 described in footnote 1, Document 884.

Relations and Armed Services Committees of the proposed aid to Yugoslavia because you consider it of crucial importance to our national security, but before actually signing the letters you wanted to raise the question with him once again in the hope that his further consideration of the matter had led to his acceptance of the proposal.

2. That, regardless of Senator Connally's reaction, you transmit the letters. [4]

DEAN ACHESON

[4] According to a brief memorandum of conversation of April 12, aid to Yugoslavia was one of the topics discussed by the Secretary of State in his meeting with the President that day. The Secretary left with the President the memorandum printed here and the draft letter to the Senate and House Committees. The President agreed with the course recommended and undertook to telephone Senator Connally and sent the letters. (Secretary's Memoranda, lot 53D444)

No further information has been found in Department of State files regarding the nature and result of President Truman's telephone conversation with Senator Connally. Regarding the letters sent to the Committees on April 16, see Document 892.

## No. 890

668.81/4-1251: Telegram

*The Secretary of State to the Embassy in Greece* [1]

TOP SECRET WASHINGTON, April 12, 1951—8 p.m.

3746. Eyes only Ambassador. Embtel 3312 Apr 4 rptd Belgrade 78. [2] Suggest you inform PriMin that, as he knows, this Govt attaches highest importance to closer friendly and cooperative relations between Yugo and Greece and that we have extended such appropriate help to that end as we cld. We feel accordingly it is highly desirable Yugo and Greece come to mutual agreement earliest possible moment on actions which each wld take in event attack on either. We therefore hope they will undertake discussions to clarify and coordinate their actions in such eventuality. You might also indicate that, of course, US wld not consider such bilateral discussions as proper forum in which attempt formulate new basic polit, terr settlement in Balkans (i.e. Alb) except only so

[1] Drafted by Norbert L. Anschuetz of the Office of Greek, Turkish, and Iranian Affairs, and by Higgs and cleared with Matthews, Berry, McGhee, Perkins, Bonbright, Cabot, Ohly, Emery, and Colonel Hartshorn of Defense. Repeated to Belgrade.

[2] Telegram 3312 reported that Greek Prime Minister Venizelos told Ambassador Peurifoy that the Yugoslav Minister to Greece had just made a formal *démarche* inquiring as to what action Greece would take in case Yugoslavia was attacked. After he described the conversation, Venizelos "in effect asked what US wishes him to reply to Yugoslavs." (768.5/4-451)

far present Grk-Yugo terr involved. Naturally we wld hope be kept currently and fully informed concerning course of discussions.

Grk response to Yugos cld be along fol lines:

1. Greece naturally expects UN wld lend support to Yugo or Greece in event aggression.
2. Greece of course prepared honor her obligations as member UN in participating UN action in support Yugo and assumes Yugo would do likewise in support Greece.
3. Greece therefore considers it would be in mutual interests Greece and Yugo examine in detail possible mil polit measures which might be taken in event attack against either and is ready participate further exchange views with Yugo at convenience Yugo Govt.

FYI only we expect have in near future more detailed views this gen subj and foregoing designed largely encouragement to Greece and ~~Yugo to~~ initiate convers. Although suspicious possibility one objective Venizelos' request for advice may be force disclosure US security plans for the areas, we wld hope, through close relations existing between Grk Govt and US Mission in Athens, provide guidance which wld produce Grk-Yugo arrangements in harmony with US plans without unnecessary embarrassment to US. If question integration Grk-Yugo plans with US Balkan and Med plans is raised you shld indicate you feel certain Wash wld consider discussion such plans premature but that it wld undoubtedly wish review situation in light Grk-Yugo agreement.

Re Sulzberger report in Belgrade's 1431 Apr 5 rpt Athens 102 [3] we have no info here confirming such understanding. However, we wld not favor any move partition Alb between Greece and Yugo. Re proposal Belgrade's 1431 include Turks in conversations we consider inadvisable complicate situation to this extent. Turkey has demonstrated reluctance engage bilateral or regional security discussions except on basis direct US participation. Shld Grks and Yugos establish area real understanding, thereby providing basis extending scope discussions and plans, question Turkish participation might be considered. [4]

ACHESON

---

[3] Telegram 1431 informed the Department of State that Sulzberger asked Ambassador Allen whether he had heard anything about a high-level Greek proposal to Yugoslavia concerning the possible division of Albania between Greece and Yugoslavia. (768.5/4-551)

[4] In telegram 3497 from Athens, April 18, Ambassador Peurifoy reported that he presented the views set forth in this telegram to Prime Minister Venizelos on April 17 and that Venizelos said he would give his reply to the Yugoslavs along these same lines emphasizing the U.N. framework but making it clear that the Greek Government will provide support to Yugoslavia in case of attack, just as the Greeks hoped the Yugoslav Government would extend aid to them if Greece were attacked.

*Continued*

## No. 891

611.68/4-1651

*The Assistant Secretary of State for European Affairs (Perkins) to the Ambassador in Yugoslavia (Allen)* [1]

SECRET [WASHINGTON,] April 16, 1951.

DEAR GEORGE: We sent you a copy of the memorandum of conversation which I had with Ambassador Popovic on March 29 regarding Archbishop Stepinac. [2] This problem was raised with us again on April 12 when the Speaker of the House of Representatives [3] and Floor Leader McCormack took it up with Jack McFall. Mr. McCormack said he felt the time was now ripe for us to proceed actively to try to get some results and that he hoped we would tackle it vigorously. The Speaker expressed complete accord with the Floor Leader's view. Jack hopes, in view of the very many active legislative irons which the Department now has in the fire, we will give every possible consideration to the wishes of these two leaders of the House.

In view of the highly reprehensible leak on Tito's request for arms aid [4] and the internal political complications resulting therefrom, which you reported in your telegram No. 1490 of April 12, [5] the Department is inclined to agree with the analysis in the last paragraph of your despatch No. 746 of April 14 [6] that further pressure on the Yugoslav Government to take action in this matter

---

Venizelos told Peurifoy that he would inform the Yugoslavs of Greek willingness to carry on detailed military-political negotiations along these lines but that the initiative would be left to Yugoslavia in light of their well-known sensitivity about not provoking the Cominform. Venizelos also denied categorically that any discussion had taken place with Yugoslavia concerning the division of Albania. (668.81/4-1851)

[1] Drafted by Higgs.

[2] Not printed. Following a conversation with Ambassador Popović concerning Yugoslavia's request for economic assistance, Perkins informed Popović of the importance of resolving the problem of Archbishop Stepinac's continued detention since the American people were concerned with this matter. The Ambassador agreed to bring the problem to the attention of his government. (768.00/3-2951)

[3] Sam Rayburn.

[4] This is a reference to an Associated Press story from Washington, dated April 8, which described an informal request for arms assistance by Yugoslavia that was presently under consideration by the United States, the United Kingdom, and France. (Telegram 1074 to Belgrade, April 9, 768.56/4-951)

[5] Telegram 1490 reported Yugoslavia's serious concern over the leak, although Ambassador Allen stated his belief that the primary concern of Tito was not fear of Cominform reaction but rather concern over the internal reaction within his own Communist Party organization in Yugoslavia and its effect on Yugoslavia's ideological position abroad. (768.56/4-1251)

[6] Not printed.

may possibly have effects contrary to those we desire. Nevertheless, I feel that we must overlook no opportunity which offers any possibility of bringing about a solution to this problem.

It seems to me that in pursuing this matter further with the Yugoslav Government we should emphasize the point that the problem is theirs, not ours, and that as long as it remains unsolved it provides the principal stumbling block to the amount and character of assistance which this Government, in the light of public opinion in the United States and elsewhere, can extend to Yugoslavia. The Yugoslav Government should face the fact squarely, as we are necessarily doing here, that there is a growing opposition in this country at this time to further foreign aid and that where extraneous elements, such as the Stepinac case, are involved, the difficulties are further increased. We have no assurance that in the case of Yugoslavia, for instance, the existence of the Stepinac complication might not make the difference between aid, and no aid for Yugoslavia. We have the impression that the Yugoslav Government underrates the seriousness of this complication.

I have no particular suggestion as to how you should proceed at this time in your efforts to bring about a solution to the problem. I would suggest, however, that you give it your most serious consideration and take whatever action you deem advisable under the circumstances. Naturally we would wish to be kept informed of your actions so that we can be in a position to inform such interested persons as the Speaker of the House and the Floor Leader.

Since formal communications on this subject seem to have a tendency to leak, I have brought this to your attention in this manner and suggest that you keep me informed in a like manner. [7]

On the general subject of church-state relations in Yugoslavia, we should like to receive considerably more reports and analyses and recommendations from the Embassy. Your despatch to which I have already referred was helpful but we hope the Embassy's reporting can be futher expanded and improved.

Sincerely yours,

GEORGE W. PERKINS

---

[7] In a letter to Perkins dated April 26, Allen stated that he would "do everything I can to get some results in this case". Since the utmost discretion was necessary to be successful, Allen agreed that personal letters between himself and Perkins was the best way to handle the communications. (611.68/4-2651)

## No. 892

*Editorial Note*

In identical letters of April 16 to the Chairmen of the Senate Armed Services and Foreign Relations Committees and the House Armed Services and Foreign Affairs Committees, President Truman announced his authorization of the use of up to $29 million in funds under the Mutual Defense Assistance Act of 1949 (as amended) to enable Yugoslavia to obtain raw materials and supplies needed for the support of its armed services. For text of President Truman's letter, see Department of State *Bulletin*, April 30, 1951, page 718, or *Public Papers of the Presidents of the United States: Harry S. Truman, 1951*, page 232.

The grant of funds to Yugoslavia for raw materials and other supplies to support the material requirements of the Yugoslav military forces came into effect with the conclusion of an agreement reached through an exchange of notes in Belgrade on April 17 between Ambassador Allen and Deputy Foreign Minister Vilfan. The text of the notes exchanged in Belgrade were transmitted to the Department of State in despatch 787 from Belgrade, April 19. (768.5/4-1951)

---

## No. 893

868.10/3-2951

*Memorandum of Conversation, by the Assistant Secretary of State for European Affairs (Perkins)* [1]

CONFIDENTIAL [WASHINGTON,] April 20, 1951.

Subject: United States Interim Assistance for Yugoslavia

Participants: Ambassador Popovic, Yugoslav Embassy
Mr. Filipovic, Yugoslav Embassy
EUR—Mr. Perkins
EE—Mr. Truesdell

Ambassador Popovic called at our request to receive a reply to his note to the Department of March 29 requesting economic assistance for raw materials. [2] I handed the Ambassador the attached note notifying him of the aid which had been authorized by the President in the early part of the week, namely up to $29 million

[1] Drafted by Truesdell.

[2] Regarding this note, see the memorandum of conversation by Perkins, Document 883.

from MDAP funds.[3] The Ambassador expressed on behalf of his Government appreciation for the attitude of the Government of the United States and its understanding of the Yugoslav need. He said that the people of Yugoslavia will receive this assistance with gratitude and the relations between the two Governments will be more firmly cemented thereby.

Ambassador Popovic then took the occasion to discuss briefly the longer term needs of his Government. He said that he was not familiar with the negotiations between the Yugoslav and British Governments concerning a four million pound credit[4] and did not know whether or not that credit was to cover the Yugoslav needs for the second and third quarters of this year. However, he wished to inquire specifically as to what period would be covered by the $29 million program from the United States and whether or not any further aid authorized by the Congress would be available by August. I advised him that it is highly probable that Far Eastern matters may take up a large portion of the time of the interested Congressional Committees but, on the other hand, it was too early to tell whether or not there would be any appreciable delay. The Ambassador asked specifically whether the Executive Branch of the Government would approach the Congress in view of the MacArthur situation.[5] I replied that as far as I know there had been no change in the thinking of the Administration but on the other hand no decision on this matter had been reached. The Ambassador then asked what amount of aid could be expected to be presented to the Congress for Yugoslavia. I replied that studies were continuing in London[6] and would probably go on for two or three weeks more at the end of which time it should be possible to know more concerning the Yugoslav needs for the next fiscal year. I said that we hoped to obtain the agreement of other Western countries to join in the assistance program for Yugoslavia.

The Ambassador then asked if the Department was familiar with the agreement reached between the Yugoslav Government and the IBRD. In reply the Ambassador was told that the Department was only generally informed and had little information beyond that

---

[3] The brief note, dated April 19, is not printed. Regarding President Truman's action on April 16 authorizing additional assistance for Yugoslavia, see the editorial note, *supra*.

[4] These British-Yugoslav negotiations ended in an agreement on May 10 which provided for a four-million pound credit to Yugoslavia for the purchase of raw materials.

[5] For documentation concerning the relief of General MacArthur as Commander in Chief in the Korean theater, announced by President Truman on April 11, see volume VII.

[6] This is a reference to the U.S.-U.K. talks on economic aid to Yugoslavia which began in London on April 9. Regarding these meetings, see Document 870.

supplied by the Yugoslav Embassy. Ambassador Popovic stated that he had been informed by Mr. Black of the IBRD that the bank would go ahead with the first tranche when the United States had made known the amount of aid which it would supply. He said that he had talked with Mr. Black yesterday but that he was very vague. In this connection the Ambassador asked if Mr. Perkins could give him any information as to the attitude of the United States Government toward the International Bank loan. In reply I told the Ambassador that it was my understanding that the bank wished to see first the results of the London discussions. I said that the bank might be able to proceed when the Administration decided to approach the Congress or, perhaps, it would wish to wait until the Congress had appropriated the funds. The Ambassador stated that the IBRD situation was serious and the questions he was asking were most important to his Government. He then repeated his understanding that the bank would go ahead when the United States Government had acted. I advised him that the note which I had just handed him in which the United States expressed its willingness to utilize up to $29 million in MDAP funds was an interim arrangement to meet immediate needs pending the working out of an over-all program. The Ambassador was advised that the two representatives of the IBRD, who were in London, were not joining formally in the discussions but had gone to London to answer certain questions which the United States and British Governments had put to the Bank and which the Bank felt could not be answered by formal correspondence. The Ambassador appeared satisfied with the above explanation.

I then referred the Ambassador to the bilateral agreement concerning MDAP raw materials assistance signed in Belgrade on April 17 [7] under which the Yugoslav Government agreed to "take all appropriate measures to enable it to become independent of extraordinary outside assistance". I stated emphatically that this Government viewed this provision with great seriousness and would from time to time request certain information bearing on Yugoslav compliance with its terms. I said that the information would be requested in Belgrade and that the Yugoslav Government should start working on this well in advance to show that it was doing its part to meet its needs.

The Ambassador then asked whether the Congressional program of raw materials assistance would be on a quarterly or annual basis and how it would be administered. In reply he was told that the money would be appropriated probably to the ECA and that allotments would be made perhaps quarterly by the ECA to meet

[7] Regarding this agreement, see the editorial note, *supra*.

Yugoslav needs based on the evidence of necessity presented. He was told that although appropriations are made by the Congress a recipient country is never sure that the money is available for expenditures and hence that it was necessary for the Yugoslav Government to be prepared to provide the necessary justifications. The Ambassador replied that he was not particularly concerned about this aspect as he was sure that the necessary information would be made available readily.

---

## No. 894

768.56/4-3051

*Memorandum by the Assistant Secretary of Defense for International Security Affairs (Burns) to the Deputy Under Secretary of State (Matthews)*

TOP SECRET WASHINGTON, 30 April 1951.

Subject: Consultations with Yugoslav Military Authorities

1. Reference is made to your Top Secret letter dated 9 April 1951 to the Chairman of the Joint Chiefs of Staff. [1]

2. The Department of Defense foresees, at this time, requirements for three categories of staff conversations with Yugoslav military authorities as follows:

a. The exploratory conversations discussed in the reference letter.

b. Technical, working-level conversations in connection with matériel assistance programs. These requirements are being transmitted in a separate concurrent communication. [2]

c. Working-level discussions on strategic and operational matters of joint interest in connection with planning pursuant to the decisions of NSC 18/6. [3]

3. The Department of Defense concurs in the view of the Joint Chiefs of Staff that, from the military point of view, the proposals

---

[1] The letter informed General Bradley of Velebit's proposal concerning the possibility of General Popović's visit to Washington, stated that from a political point of view this would be useful, and inquired if the suggested visit would be acceptable from the military point of view. (768.5/4-951)

[2] This is a reference to Burns' memorandum to Matthews of April 30 concerning technical working-level conversations with the Yugoslavs. According to this letter, the purpose of these conversations would be to clarify the content and priorities of Yugoslav requirements, justify deficiencies, examine problems of matériel delivery, relate assistance programs to Yugoslavia's military supply and production situation, and examine the training and technical assistance requirements generated by the matériel program. (768.56/4-3051)

[3] Not cleared for publication when this volume went to press.

outlined in the reference letter for conversations with General Popovic should be accepted. The world situation is such that an early date for these conversations is desirable. Appropriate action by the Department of State is requested.

a. The Yugoslav Government has indicated that the discussions should in the first stage be bilateral, but that at a later date, and upon mutual agreement, it would probably be desirable to bring in the British. From the military point of view, there is no objection to this arrangement.

b. The main topics to be discussed should naturally fall into the following broad categories:

> (1) Military problems in Yugoslavia of mutual interest to that nation and the United States which would arise in the event of an overt attack against Yugoslavia. . . .
>
> (2) Military aid matters in the light of a possible overt attack against Yugoslavia. In this connection, the Joint Chiefs of Staff wish to ascertain the over-all status of Yugoslav equipment and to determine those areas of equipment in which deficiencies might most advantageously be filled from United States sources. An assessment of the ability of the armed forces of Yugoslavia to make effective use of such equipment as is furnished would be relevant to this phase of the discussion.

c. With respect to personnel, it is planned to have a senior Army general officer, assisted by one senior strategic planning and one senior logistic planning representative from each Service, participate in these conversations.

d. If desired, it will also be possible to arrange appropriate courtesy calls by General Popovic on top United States military officers.

e. It should be made clear to the Yugoslav Government that the proposed talks with General Popovic are exploratory in nature and will in no way involve any commitment on the part of the United States.

4. As regards the working-level discussions on strategic and operational matters (par. 2c above), it is desired that these discussions be arranged as early as practicable, and in any event immediately after the operational decision has been made to support Yugoslavia as contemplated by NSC 18/6 in certain contingencies.

a. These discussions should be held in Belgrade. If this is not practicable, they should be held at the headquarters of the Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean (CINCNELM) in London.

b. It is not considered practicable at this time to state exactly how many personnel will be involved in these conversations. Under present conditions the number would be small, possibly not to exceed ten, including representatives from the European Command and U.S. Air Forces, Europe, headed by a flag officer designated by CINCNELM.

c. Since these conversations would be concerned with United States planning, there is no occasion for United Kingdom or French participation.

d. The purpose of these conversations is to provide for the coordination of United States military operations in support of Yugoslavia. The detailed subject matter will be developed by CINCNELM in light of developing world conditions.

J. H. BURNS

---

## No. 895

868.10/5-251

*Memorandum of Conversation, by Edward Rawson of the Office of Eastern European Affairs*

CONFIDENTIAL [WASHINGTON,] May 2, 1951.

Subject: Extension of $5 million Line of Credit to Yugoslavia by the Chase National Bank

Participants: Mr. Alfred W. Barth, Vice President, Chase National Bank
EE—Mr. Gannett
EE—Mr. Rawson

Mr. Barth called of his own initiative to mention recent developments between Chase National Bank and the Yugoslav Government, as well as his trip to Yugoslavia in March. Mr. Barth stated that Chase National Bank was prepared to extend the Yugoslav Government a $5 million line of credit for a period of up to 90 days, and, that he had dropped in to inform the Department of this proposal prior to calling at the Yugoslav Embassy later in the day. His proposal is that this line of credit would be secured by the Yugoslav Government's current account with the Chase National Bank which he asserted handles most of the Yugoslavs' banking business in this country, and subject to the proviso that all Yugoslav imports into the United States would be channeled through the Chase. Interest would be 4%.

Mr. Barth reminded us that a similar credit had been discussed with the Chase over a couple of years ago and that Chase had facilitated the extension of certain limited credits for cotton exports. He asserted the basic motivation for the Chase's present proposed loan is political and the desire to match terms offered by the Midland and Westminster Banks in London. Mr. Barth reported that these banks had both extended lines of credit totalling approximately 1-½ million pounds for the purpose of emergency use only, at 5-½% interest. The Yugoslavs had hardly touched these credits,

which indicates that they really consider them a reserve for emergency use only. Mr. Barth's feeling was that the Chase credit would be looked upon in the same manner.

Mr. Barth continued with the remark that he had obtained considerable data from the Finance Ministry while in Belgrade which he promised to send us. The main new factor which he revealed was that immigrant remittances have dropped from $6 million in 1949 to $2 million in 1950 which reflects the fact that goods are more in demand than dollars in Yugoslavia today. He remarked that the poverty in Yugoslavia is far worse than that he had recently seen in Portugal and Spain and that the need for consumer goods is very great.

Mr. Barth concluded by stating he had learned the Germans have made a settlement with the Swiss regarding their commercial trade debt of World War II. He said the Yugoslavs would be very much interested to learn of this fact, as they have been wondering what use could be made of their $166 million claim against the Germans.

We thanked Mr. Barth for the information he had given us regarding relations of the Chase with Yugoslavia, his report of his recent trip, and his promise to send the additional data he had mentioned.

---

## No. 896

668.81/5-1151: Telegram

*The Chargé in Greece (Yost) to the Secretary of State* [1]

TOP SECRET ATHENS, May 11, 1951—5 p.m.

3866. In conversation with Yugo Min [2] yesterday he reiterated most of points made to Amb reported Embtel 3121 March 22 [3] particularly emphasizing realization his govt that attack on Greece, Ger or Austria wld necessarily provoke Yugo participation in hostilities. He appeared satisfied for present with somewhat vague assurances of Greeks they wld fulfill UN obligations in case of attack on Yugo it being his conviction they could not remain aloof. He seemed indisposed to push forward detailed Yugo-Greek mil conversations at this moment in order not lend color to Cominform propa-

---

[1] Repeated to Belgrade.

[2] Radoš Jovanović, Yugoslav Minister to Greece.

[3] Telegram 3121 reported a conversation between Jovanović and Ambassador Peurifoy concerning the possibility of a European war and Yugoslavia's behavior if one broke out. (668.81/3-2251)

ganda in satellites but declared conversations must be undertaken rapidly if attack shld seem imminent.

He expressed agreement with view that while Kremlin may see fit to launch attack at any time and most urgent and thorough preparations are therefore essential, greatest danger will come next year when Western mil strength and unity shld have made impressive progress but before it has become preponderant. Jovanovic attached great importance to evidence growing disaffection in satellites which he expects will further increase and render them constantly less reliable mil instruments for Soviets.

YOST

---

## No. 897

768.5/5–1151: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State*

TOP SECRET PRIORITY BELGRADE, May 11, 1951—4 p.m.

1671. Deptel 1207, May 2. [1] My next following tel [2] is statement which might be read to comites re need for arms aid to Yugo.

However, it seems to me we wld be well advised, before asking Congress for appropriations for outright military aid to Yugo, to obtain a clear request, in writing from Yugo Govt, requesting such aid from US and stating reasons therefore. Last official Yugo statement on subject was press statement of April 12 (Embtel 1487, April 12 [3]), in which Yugo Govt admitted only that it was seeking arms from abroad through commercial channels. Dept might be embarrassed if comites asked to see actual Yugo request and we had nothing more than Djilas list to produce even in executive session. It is conceivable that Yugo Govt might feel called on to deny, during hearings, that it had sought arms from US on other than

---

[1] Telegram 1207 requested a brief statement concerning the need for arms aid to Yugoslavia "as you see it" for possible reading to Congressional committees dealing with these matters. (768.5/5–251)

[2] Telegram 1672 from Belgrade, May 11, contained Allen's statement which emphasized that in terms of the imminence of the threat of attack, the determination to resist, the effectiveness of this resistance, the strategic importance of the area to be defended, and the readiness of Yugoslavia to cooperate in matters of collective security, Yugoslavia ranked very high among those foreign countries who needed U.S. military aid. (768.5/5–1151)

[3] Telegram 1487 quoted the text of a *Borba* article in which Veljo Vlahović stated that the Yugoslav Government, "through customary channels, asked and is asking to obtain means to strengthen its armament industry and to obtain certain quantity of defensive weapons". (768.56/4–1251)

commercial basis, leaving implication that we were pressing our arms on reluctant recipient.

Yugo Govt may still be hesistant, primarily for internal CPY reasons, to make outright request for finished arms on non-commercial basis, but I do not believe we should risk embarrassing ourselves and I expect Yugo Govt wld make clear-cut request if we let it be known that we could not act on any other basis.

Because of lack of clarity in situation, I have avoided in following statement, any specific reference to Yugo position re seeking arms aid as suggested in Deptel 1207, and wld welcome Dept's reaction to foregoing views before attempting anything on this particular point.

ALLEN

---

## No. 898

768.56/5–1751: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

TOP SECRET WASHINGTON, May 17, 1951—6 p. m.

1286. Eyes only Amb. Dept today informed senior dipl reps on Tripartite Comite on Mil Assistance to Yugo [2] as fol:

(a) US Govt is prepared designate appropriate service reps to join corresponding Brit and French reps in direct consultations at early date with Yugo officials to obtain info and data on question of Yugo mil requirements. US wld prefer hold such consultations in Belgrade or if that not feasible in Wash or Paris in that order. US considers arrangements these conversations with Yugo shld be undertaken after tripartite agreement reached on such matters as size, composition of tripartite group, terms reference, and preferred and alternate loci for talks.

(b) Meanwhile US initiating measures looking to early technical conversations with Yugo officials to effect urgent implementation that part of matériel assistance which it has undertaken to fulfill. It is noted that Brit-Yugo discussions of similar character are planned. US will have no objection to participation in proposed US-Yugo talks on observer basis of one rep each from UK and France provided this arrangement reciprocal.

(c) Although for practical reasons it will probably not be possible to conduct proposed quadripartite and bilateral conversations concurrently or in same place, from US viewpoint close coordination various discussions and continuing exchange info among three govts will be desirable.

---

[1] Drafted by Huston. Repeated to London and Paris.

[2] Concerning this committee, meeting in Washington, see Document 887.

Foregoing FYI only. Conversations referred to in (b) above are those proposed in communication quoted Deptel 1285. [3]

ACHESON

[3] In telegram 1285 to Belgrade, May 17, the Department of State informed Ambassador Allen of its communication with Yugoslav officials concerning the initiation of bilateral technical conversations between military representatives from both governments for the purpose of clarifying questions arising out of Yugoslav military requirements. (768.56/5-1751)

## No. 899

768.5/5-2451

*Memorandum by Robert P. Joyce of the Policy Planning Staff to the Deputy Under Secretary of State (Matthews)*

TOP SECRET [WASHINGTON,] May 24, 1951.

Subject: U.S.-Yugoslav Military Conversations.

General Eddleman telephoned me this afternoon and said that the session with the Yugoslavs this morning had proceeded in a most satisfactory manner. He said that they had been able to reach a mutually acceptable compromise on the B list [1] along the lines that it could probably be handled in a two-phase manner, i.e., the small and "non-technical" material could be assembled and go forward promptly whereas the more complicated matériel would be considered within the framework of future talks which would contain the element of training. Eddleman said that General Popovic appeared to be very pleased with this suggestion which Reinhardt and I made to him, Eddleman, this morning.

General Eddleman went on to say that he had taken occasion to engage in long-range strategic discussions and they had spent about two hours over a map of Europe and the Eastern Mediterranean. Eddleman said that Popovic appeared to be very gratified that the talks had been widened. Eddleman stated that these discussions had elicited information from the Yugoslavs which our military did not previously have.

Eddleman went on to say that he had told Popovic that he, Eddleman, would be back in Washington from Europe in about ten days and he would look forward to having additional meetings.

[1] A handwritten note in the margin of the source text, marked by an "x" to this point in the text, read: "This is the second installment of the OPC stuff." For information concerning this list of military equipment, see footnote 4, Document 869.

This statement apparently cheered up Popovic more than somewhat.

ROBERT P. JOYCE

---

## No. 900

768.11/5-2551: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, May 25, 1951—6 p. m.

1759. During half-hour private chat with Tito yesterday at reception for Brit Parliament delegation, I was astonished by evident seriousness of 3 months illness and operation. He has lost over 30 pounds since I saw him last, his color was bad, and he was listless as compared with his former vigor. He said he needed at least 2 months more of recuperation and wld spend full summer at Bled and Brioni. He leaves Belgrade in few days and I doubt will return for several months. [2]

He said he had been kept closely informed of conversations in London and Wash on Yugo aid questions and expressed warm appreciation for US assistance and for lead we had taken with other powers. He commented, in light vein, on our concern over participation in Yugo aid program by powers which we ourselves are having to assist, but agreed readily with my remarks concerning desirability of cooperation among all Western powers in Yugo program. I said I thought Italy's desire to be included was favorable sign. He did not dissent.

While Tito has not been immed touch with details of Govt during past 3 months and has left decisions largely in hands of Politburo, it is clear that he remains final arbiter on all major questions and his control of Party and Govt has in no way lessened.

ALLEN

---

[1] Repeated to Paris, London, Rome, and Moscow.

[2] Tito was recovering from an operation to remove gallstones which took place in mid-April. Allen reported in telegram 1505 from Belgrade, April 14, that Tito's operation and illness were being kept secret. (768.11/4-1451).

## No. 901

768.00/5-2651: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, May 26, 1951—2 p. m.

1767. I have learned from reliable source that fairly well-defined difference of opinion has developed in Yugo Politburo over question of speed with which Yugo shld change from existing pattern of polit economy, based originally on Sov system, and new indigenous type of socialism which all Yugo leaders hope to develop.

Politburo members favoring more rapid change said to include Djilas, Pijade and Neskovic. Those inclined to slower tempo are Kardelj, Rankovic, Kidric and Gosnjak. By advocating less sudden departure from original revolutionary positions, they paradoxically may be considered "Conservative" side in this affair. Tito is said to lean towards latter group but has not been active in debates recently. My informant was not aware of attitude of ninth member of Politburo, Neskovic (who I suspect is waiting for Tito to give clearer indication of his position).

Djilas and Pijade are considerably impressed by views of Brit left-wing Labor Group, and think Yugo shld move rapidly towards kind of econ (though not Polit) structure favored by Brit left-wing. They believe workers' councils shld be pressed energetically, favor drastic decentralization, control of industry by labor, and withering away of bureaucratic state. They are more theoretical and idealistic. Pijade recently followed Djilas' example, for instance, in moving out of handsome villa into modest flat.

Group headed by Kardelj feel "socialism" in Yugo must evolve more slowly. At time this wld seem to indicate that they tend to cling more to existing Sov-based system, they are, in fact, more practical and less impressed by ideological theorizing.

Important difference between two groups is that whereas Djilas and Pijade look to Brit and Eur left-wing Socialists for their inspiration, Kardelj group has wider nation-to-nation outlook. While both groups are equally anti-Cominform, Djilas and Pijade wld be more attracted by internatl Socialist Movement, while Tito and Kardelj are more Nationalistic.

Result will probably be something of compromise, with Tito casting deciding vote whenever he decides to show his hand.

ALLEN

---

[1] Repeated to Paris and London.

## No. 902

768.00/5-3151: Despatch

*The Chargé in Yugoslavia (Beam) to the Secretary of State* [1]

SECRET BELGRADE, May 31, 1951.

No. 928

Subject: Evolution of Yugoslav Policy in the Past Year

The passage of May Day 1951, a holiday given over to celebrating the achievements of the Yugoslav Communist Party, provides an opportune occasion to comment on the evolution of the Yugoslav situation over the past year.

In May 1950 the keynote of the Yugoslav Government's policy was strict independence from both East and West. Despite the obvious difficulties of the situation, the CPY faced the future with confidence: Yugoslavia had survived the two critical years since its expulsion from the Cominform; it had succeeded in elevating its dispute with the Kremlin from the dangerous status of a communist family quarrel to that of a problem of world significance; it had been elected to the Security Council and developed genuine cooperation with the United Nations, and it looked to that organization as its life-line of security against Soviet attack; it had improved its relations with the West; it thought that the ambitious Five Year Plan would be reasonably successful, and that substantial loans for further industrial development could be obtained from the IBRD; from the ideological standpoint it was hopeful that its stand against the Kremlin would enlist sympathy among communists abroad, and it was confident that a break between Russia and Communist China was imminent.

But two events of unexpected and extraordinary importance, one external and the other internal, occurred in the summer of 1950 that sharply affected Yugoslavia's position both politically and economically and brought about an acceleration of its orientation toward the West. The Korean war revealed the willingness of the Soviet Union to utilize satellite forces for military aggression, and showed that reliance upon the UN for defense meant ultimate reliance upon the United States as the most effective military force behind it. Similarly the 1950 summer drought virtually wrecked Yugoslavia's fragile economy and brought home sharply the realization that urgently needed and effective assistance could be obtained in time only from the United States.

---

[1] Also sent to Moscow, Warsaw, Budapest, Bucharest, and Prague.

Between the ouster from the Cominform and the two major events of the summer of 1950 mentioned, the Yugoslav Government had already slowly and cautiously developed its relations with the West. Its experience in discovering that it could deal with the major Western powers on a basis of complete non-interference in its domestic affairs gave it encouragement. Moreover, the regime was, and is, thoroughly confident of its ability to maintain itself in power in shifting closer to the West. The Korean war, the satellite military build up, and the severe drought having made clear the urgency and essentiality of United States economic, political and military backing, the Yugoslav Government recognized it had an interest as well in taking steps that would improve American public and Congressional opinion toward the regime.

Besides this need for improvement of its external position, the Yugoslav Government was aware of two other needs relating to its internal policy: the necessity of taking steps to increase popular support of the regime, and the necessity of economic reorganization to put agriculture and industry on a more efficient basis through stimulation of incentive.

In recent moves the Government has dovetailed these needs of foreign and domestic policy in a manner designed to meet the desired ends without giving the appearance of bowing to external pressure. In seeking to gain popular support and to stimulate agriculture and industry, the Government undertook a campaign to mitigate unpopular administrative practices of the local People's Committees, temporarily abandoned the drive to collectivize agriculture, abolished forced deliveries of most categories of foodstuffs, relaxed pressure on the church, tolerated some degree of popular criticism, decentralized federal control of industry, and gave assurances that the price of most agricultural and industrial products will be permitted to be determined by the law of supply and demand. Most recently, it has moved a step closer to supporting UN policy in Korea by voting in favor of the embargo on shipments of war materials to Communist China.

The motivations behind these several steps are varied. The following interpretation of their significance may contribute to an objective appraisal of the recent evolution of Yugoslav policy.

*Mitigation of unpopular administrative practices of local People's Committees.* The Government's campaign in this respect is motivated solely by domestic considerations, namely the desire to bring about a more sympathetic popular attitude towards the regime. The People's Committees have been the unpopular instruments of implementing government and party policies, and have undoubtedly taken advantage of their authority by exercising arbitrary and autocratic rule. The new Party line is designed to correct this attitude, to improve local government, and thereby gain greater public

support for the regime as a whole. The new policy also encourages the participation of a wider range of candidates for the People's Committees, in an effort to supplant unpopular autocratic members and to make the Committees more responsive to public feeling.

*Abandonment of drive to collectivize agriculture.* Both domestic and foreign policy considerations appear to have led to this action. The unpopularity of collectivization pressures, the poor showing made by many collectives, and the need for developing peasant incentive, combined on the domestic side to bring about the relaxation; at the same time, from the foreign angle the new policy has its propaganda advantages as a liberalization measure. It should be borne in mind, however, that the new policy is primarily a tactical move, born of necessity, and that it may be of temporary character. The private sector of agriculture will be at a disadvantage as collective farms will sell for less than market price and will receive state support through lower taxes and other special concessions.

Regarding basic CPY policy toward the peasantry, it is pertinent to note that, despite the fast early pace of the collectivization drive, Tito's attitude has been fundamentally far more amenable toward the Yugoslav peasantry than Stalin's has been toward the Russian peasant. It will be recalled that in the correspondence leading to the Cominform break, Tito was criticized for saying, "We do not tell the peasants that they are the strongest pillar of our state in order that, eventually, we may get their votes, but because we know that that is what they are, and because they should be aware of what they are." Tito's attitude in this respect is reminiscent of that of Bukharin, who stressed that there must be harmonious relations between urban workers and peasants, and in particular that the peasants must be prosperous in order to supply more food to the towns. It will be recalled that when Stalin turned on Bukharin in the late '20's, disowning the latter's policy of "alliance with the peasantry", and launched collectivization at a furious pace, the great famine of 1932–33 ensued.

*Abolition of forced deliveries of most foodstuffs.* Largely the same considerations prompted this measure. Forced deliveries at low prices were bitterly resented by the peasantry, with the result that plantings fell off and shortages of food were acute. The new policy is designed to restore peasant incentive and mitigate opposition to the regime. Though a concession to the realities of the situation, the new policy coincides too with the need for showing the West evidence of domestic liberalization.

*Relaxation of pressure on the church.* Policy toward the church over the past year has reflected consideration both for domestic and foreign policy needs. Domestically, the Government has relaxed pressures in its drive to mitigate hostility and to bring about broader popular acquiescence to its rule. It has achieved a substantial *détente* with the Orthodox Church through the enthronement of a Patriarch who is willing to cooperate with the regime. The problem of relations with the second largest church, the Roman Catholic, has been much more difficult, but pressures against it have nevertheless lessened to some extent in the past year. It is possible that both the Government and the Church have a mutual

desire to reach a basic accord, if that could be achieved without either side appearing to retreat on basic issues. It is also apparent that although the Government was reluctant to prosecute and imprison Archbishop Stepinac in 1946 (and was until the past year equally reluctant to release him because of sensitivity to foreign pressure), Marshal Tito has in the past year publicly stated his willingness to release the Archbishop on condition that he leave the country. The reasons for this change of attitude are threefold: (1) primarily to placate public opinion in the West, particularly in the United States, by demonstrating more liberality toward the Church; (2) to remove the most emotional issue impeding the reaching of a church-state accord with the Vatican; and (3) to influence more favorably public sentiment in Croatia and Slovenia toward the regime. The release of Stepinac would, of course, have an adverse effect on Orthodox sentiment, but the Government appears to be willing to take the step as its relations with the Orthodox Church are now on a sound and normal basis, and as the banishment of Stepinac, after serving a substantial part of his sentence, would not look like condonation.

Amelioration of relations with the churches does not, however, imply any fundamental change of the Government's attitude toward religion. It remains basically hostile. What the regime is seeking to do is to gain public support by adopting what appears to be a more liberal attitude toward the Church, but at the same time relying on its communist indoctrination of youth to break the strength of the church in another generation. The success of this policy is reflected in marked decrease in young church-goers. Adult church attendance, on the other hand, is high. A capital precept is that while the regime feels it can afford better relations with the churches, it will not tolerate any organized opposition on their part.

*Toleration of popular criticism.* There has been a striking relaxation over the past year in this respect. There are of course very definite limitations in the application of this policy, and freedom of expression in the Western sense does not exist. Criticism of the communist character of the regime, either oral or written is not permitted, but "grumbling" remarks by the populace are countenanced which a year earlier would have brought arrest or even prison sentences. The more tolerant attitude has had a beneficial effect on public morale.

*Decentralization of federal control of industry.* In proposing this revolutionary development the Government seeks to bring about more efficiency in industry by drastically reducing cumbersome federal bureaucratic organization, and to promote initiative on the part of management and labor by giving them more direct operational responsibility and commensurate rewards for the successful operation of their individual establishments. While motivated by these practical and compelling considerations, the decentralization move also has great propaganda value as depicting further revolutionary progress in the attainment of Marxist ideals in contrast to the Soviet concept of centralized state control. It has the incidental merit of appearing, to the West, as a further step toward liberaliza-

tion of the regime. In its initial stage, however, decentralization is proving very difficult to carry out.

*Price determination by law of supply and demand.* The announced reversion to the law of supply and demand as the determinant of prices of most agricultural and industrial products is an interesting phenomenon. It is a clear concession to necessity, a tacit admission that state regulation of price and distribution has failed. No attempt is being made to rationalize the new policy in terms of communist theory or practice; it is looked upon frankly as a step backward. Thus, although it partly restores a free market, and is ostensibly a liberal measure, it may not be anything more than a temporary abandonment of previous government policy to socialize the marketing of agricultural and industrial production. In essence, the policy is akin to the New Economic Policy expedient of the Soviet Union in the early '20s.

*Shift in Korean policy.* The adoption of a firmer attitude in support of the UN on the Korean issue, as demonstrated in the affirmative Yugoslav vote on the embargo of war materials to Communist China, appears to have been motivated largely by the growing necessity of satisfying Western public opinion, particularly American. Adoption of a firmer attitude appears to have been influenced also to some extent by waning hope that the Peking regime will detach itself from Soviet policy.

From the foregoing it is apparent that recent changes in Yugoslav policy have been motivated by a variety of considerations. It is evident, however, that the basic lines are being evolved in a definite pattern, in accordance with Tito's concept that "the class struggle should proceed in accordance with special Yugoslav conditions." Two fundamental considerations appear to be shaping the major lines of Yugoslav domestic and foreign policy. On the domestic side, the regime is aware of the necessity of achieving genuine popular support; it is seeking to accomplish this through liberalization of the methods by which it rules and implements its political, economic and social program. Kardelj epitomized this policy in saying that the Government sought to evolve a form of communism that would not be the "bugbear" that Soviet communism represents in the world today. In developing this policy the regime is confident of its ability to maintain power while relaxing some of the stringency of its controls and permitting a certain diminution of Party dictation. In brief, the whip-and-carrot technique has been modified to provide for less whip and more carrot. As for foreign policy, the Government is demonstrating its willingness to develop friendly political, social and economic relations with the Western world with the sole reservation that those relations do not impede the development of Yugoslavia as a communist society.

The evolution of Yugoslav domestic and foreign policy over the past year would appear to justify the hope that the communist state being developed in Yugoslavia, divorced from Soviet imperial-

ist policy, and characterized by a maturing moral conscience, will be of a nature that will enable it to live in reasonably normal relationship with the non-communist world.

For the Ambassador:
JACOB D. BEAM

---

## No. 903

768.00/6-551: Telegram

*The Chargé in Yugoslavia (Beam) to the Secretary of State* [1]

CONFIDENTIAL BELGRADE, June 5, 1951—8 p.m.

1825. Embtels 1814, June 4, 1822, June 5 and 1823, June 5. [2] Rankovic and Djilas speeches and resolutions fourth plenary meeting CC (Central Committee) CPY have aroused greatest int foreign observers here as consolidating and formalizing trends last few months. First impression is they may produce some liberalization within CPY and police apparatus. Ostensibly will reduce obligatory adherence to indiscriminate party pronouncements, will permit freer discussion within party including consideration Western methods and will result refinement and relaxation police methods. Undoubtedly will not mean recognition of or cooperation with opposition groups outside party. Seems stronger resistance will be made to Cominform elements and Djilas statement also conveyed warning to organized church opposition. Reference new responsibility courts investigate criminal cases unclear but thought to mean that while a reformed police machinery will continue play major detective role, judges will be charged ascertain facts and truth by more detailed examination. Consensus opinion is new front and proposals partly inspired by mass unpopularity present regime due its internal policies and failure alleviate common lot. Considered [by] some fault unfair leaders placed main onus on police and bureaucracy who have been carrying out directives based on formerly approved lines. On other hand believed significant regime wld dare so bitterly criticize police who wld be main support if discontent actually threatened disorders near future or disaffection in event foreign attack. New proposals contain no guarantee against arbitrary

---

[1] Repeated to Moscow and Paris.

[2] Telegram 1814 summarized Ranković's remarks to the opening session of the Central Committee on June 3 concerning jurisprudence and legal practices (768.00/6-451); telegram 1822 reported on Djilas' speech on the current situation in the international workers' movement and its ideology (768.00/6-551); and telegram 1823 briefly summarized some of the resolutions passed during the fourth plenary session (768.00/6-551).

action by party state but if carried through may result in humanizing and popularizing regime with increased support for measures required sustain Yugo internatl position.

Manner presentation undoubtedly influenced by desire seize ideological initiative from Cominform and gain favorable publicity Western world through liberalization appeal. Continued Communist character of Yugo state and obedience to party decisions emphasized at all times however. Chief points of interest will be whether autocratic one party state can successfully liberalize itself without undue stress and how new concepts will be employed further aim assuming leadership non-Soviet Marxist world, as is doubtless Yugo intent.

BEAM

---

## No. 904

768.13/6-1251: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, June 12, 1951—4 p.m.

1893. Min of Interior Rankovic has left Belgrade on vacation trip of several weeks in Switz, France, Belgium, Holland and UK. This is his first visit to these countries, and I understand that he was urged to go by Kardelj, Djilas and Pijade in belief he shld become better acquainted with western life.

Rankovic ranks third in Yugo hierarchy, immediately after Tito and Kardelj, both of whom have recently been ill. Since Rankovic is generally regarded as responsible for repressive measures of present regime, it is likely that Tito and Politburo also felt visit wld enable western officials to form better impression by meeting him in person. He is affable and mild-mannered, although not generally regarded as astute, and knows no western language.

Since Rankovic is Serb, he is particularly hated by Croat Nationalists, whose organization he has repressed with great severity. French police, under whose eyes King Alexander was assassinated by Ustaski Marseilles in 1934, will undoubtedly take special precautions during Rankovic sojourn in Paris.

While visit has not become widely known here, YuGov has not made special request for either secrecy or security.

There has been some speculation during past few months that Djilas, a Montenegrin, was moving up to third place in Politburo.

---

[1] Repeated to Bern, Paris, London, The Hague, and Brussels.

He and Rankovic, while serving in civilian posts at present, are both colonel generals in Yugo Army, and struggle for succession might possibly ensue if Tito and Kardelj were incapacitated. Rankovic has been endeavoring recently to overcome stigma of police chief, I suspect on Tito's advice and present visit may be part of broadening process.

ALLEN

---

## No. 905

*Editorial Note*

On June 13, Richard F. Allen, Special Assistant to Ambassador Allen, and L. Randolph Higgs, Deputy Director of the Office of Eastern European Affairs, testified before the Foreign Affairs Committee on the situation in Yugoslavia. For the text of their testimony and related questions and answers, see U.S. House of Representatives, Committee on Foreign Relations, *Selected Executive Session Hearings of the Committee, 1951–56*, volume XV, European Problems (Washington, 1980), pages 73 ff.

---

## No. 906

868.00/6–1351

*Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia* [1]

SECRET LONDON, June 13, 1951.

*Introduction*

1. This report has been prepared on the assumption that it is of great political and military importance to the United Kingdom, the United States, France and the Western World generally to maintain the advantages which the existence of an independent Yugoslavia outside the Soviet orbit confers upon the West, and to avoid the consequences which a collapse of the Tito régime and of Yugoslav resistance to the U.S.S.R. would entail. The attainment of this

[1] This report was transmitted to the Department of State as one of the enclosures to despatch 6067 from London, June 13. The final report, printed here without its covering statement, list of contents, summary statement, or appendixes, ended the work of the U.S., U.K., and French delegations which had been meeting in London since April 19 to discuss economic aid for Yugoslavia in terms of both short-term and long-term needs. Concerning the origin and evolution of this tripartite working group, see Document 870.

objective is threatened by the present economic situation of Yugoslavia, to alleviate which the report sets out a plan of assistance.

2. Before the last war Yugoslavia was a poor country and, generally speaking, its material and human resources were not used to the best advantage. In recent years these resources have been adversely affected by the destruction during the war, the inadequacy of incentives, especially in agriculture, the lack of competent managers, technicians and skilled labour, the dislocations caused by the Cominform blockade, including the necessity of a switch of trade to the West, the drought of 1950, and the adverse movement in the terms of trade. At the same time large demands have been made on these resources for the consumption needs of a population which is growing and becoming more urban in character, for the military programme, and for the investment programme which the régime considers to be both ideologically and politically important. These demands have proved greater than Yugoslavia's ability to produce, and the Yugoslav Government have found the resources necessary for fulfilling their investment and military programmes on the present scale only by keeping consumption down to a dangerously low level and by obtaining foreign assistance. This position appears to have been aggravated by the Yugoslav Government's not having applied available resources in such a way as to yield the greatest possible total return in domestic production or foreign exchange within the shortest time, and also by their having pressed on with certain projects the effectiveness of which now waits upon the completion of other projects.

3. Since 1948 Yugoslavia has had a balance of payments deficit of very serious proportions and the Yugoslav Government has requested financial assistance from certain Western states and international organisations. Bearing in mind the great importance to themselves of Yugoslavia's continued political and economic independence of the USSR, the Governments of the United Kingdom, the United States and France extended assistance to the Yugoslav Government by credits and grants amounting to $48 million, * $121 million and $4 million respectively up to the end of 1950. This assistance, however, did not solve the Yugoslav payments problem.

4. Yugoslavia continued to run a deficit on current trading account and contracted a substantial burden of debt, not only to those countries which had extended medium and long-term loans, but also in the form of "swings" and overdrafts, to a number of other countries. Furthermore, the International Monetary Fund had in 1949 permitted the Yugoslav Government to obtain $9 mil-

* In this report all amounts are expressed in United States dollars regardless of the currencies actually involved. [Footnote in the source text.]

lion against dinars, and the International Bank for Reconstruction and Development (IBRD) made a loan of $2.7 million for timber equipment.

5. Excluding the prewar bonded debt on which settlements were to be negotiated, Yugoslavia's external debt obligations at the end of 1950 totalled $182 million (see Appendix A [2]). The order of magnitude of this figure is seen by comparing it with Yugoslav exports in 1949, which were $192 million.

*Prospective Yugoslav Deficit*

6. The statistical conclusions set out in the following paragraphs are based on examination of separate studies of the prospective Yugoslav balance of payments for 1951 and 1952, previously made by the United States and United Kingdom Governments. Those studies were founded partly on actual figures of Yugoslavia's balance of payments in past years, and partly on the Yugoslav Government's estimates for 1951 and 1952 as appropriately adjusted. In view of the limited information available they are to be treated as no more than the best basis at the present time for taking necessary action and are liable to substantial correction in the light of further information. The period of eighteen months ending 30th June 1952 has been taken as a suitable period for estimating the Yugoslav deficit at this time.

7. In Appendix B Yugoslavia's deficit on ordinary trade for the eighteen-month period is estimated at $133 million. In addition to ordinary trade two types of imports are required by Yugoslavia during the same period. These are food imports necessitated by the 1950 drought, valued at $62 million, and extraordinary imports for defence purposes of goods capable of being used either for defence purposes or other purposes (in this report called "common-use items"), valued on a very tentative estimate at $50 million. Yugoslavia's current trade deficit for the period, defined as including the food imports but not the extraordinary imports of common-use items, is estimated at $195 million. Towards covering this current trade deficit, sums totalling $140 million have already been made available to Yugoslavia, and details are given in Appendix C. For the extraordinary imports of common-use items no foreign assistance has been specifically given. The figures just mentioned relate only to Yugoslavia's trading on current account. Following the Yugoslav Government's practice they exclude all but minor imports of capital goods. They also exclude any provision for the contractual external debt payments due by Yugoslavia in the period, totalling $18 million, and any payments in reduction of Yugoslav-

[2] None of the Appendixes is printed.

ia's "swings" or overdrafts on trading account which amounted at 1st January 1951 to about $68 million. Details of these liabilities are given in Appendices A and D.

*Proposals Concerning Provisions of Funds*

8. It is proposed that the Governments of the United States, the United Kingdom and France (in this report called "the participating governments") should accept responsibility towards one another for providing by way of grant to the Yugoslav Government, in the proportions of 65% by the United States Government 23% by the United Kingdom Government and 12% by the French Government, the funds necessary to meet:—

(i) that portion of the Yugoslav current trade deficit for the period 1st January 1951 to 30th June 1952 which is not covered by the credits and grants set forth in Appendix C or by any other sums that may be made available to Yugoslavia for use in that period; and

(ii) Yugoslavia's payments in the same period in respect of extraordinary imports for defence purposes of common-use items; and

(iii) Yugoslavia's payments in the same period in respect of the timber-equipment loan made by the IBRD in 1949; and

(iv) other payments which, in spite of all that the participating governments can do to the contrary, may for a variety of reasons be made by Yugoslavia during the same period and enter into her total balance of payments deficit for that period.

9. The responsibility proposed in the preceding paragraph should not however extend to providing the funds necessary to meet any amount by which the total Yugoslav balance of payments deficit for the period exceeds $265 millions. Should it appear at any time to any participating government that such an excess is likely, the participating governments should at the request of that government confer with a view to deciding on any measures which should be taken, including possible modification of the plan of assistance and of their responsibilities towards one another. The participating governments should in any event keep the Yugoslav economic situation under continuous appraisal, with particular reference to the prospective total balance of payments deficit for the period, and should exchange information and views upon it.

10. The responsibility proposed in paragraph 8 should not be construed as extending to the provision of funds directly or indirectly for the purpose of supplying Yugoslavia with equipment utilisable only for military purposes (military end-items).

11. Appendix E shows the funds which each of the participating governments would provide in accordance with the preceding paragraphs on the assumption that the total Yugoslav balance of payments deficit for the period was $265 millions, and that the funds

available from other sources towards meeting it were those already known and shown in Appendix C, amounting to $140 million.

12. As only a very rough estimate is available of the value of Yugoslavia's extraordinary imports for defence purposes of common-use items, it is proposed that the participating governments confer without delay in Washington with a view to making a better estimate of the value of such imports in the light of what is available and what Yugoslavia needs.

*Proposals Concerning Yugoslav External Debts*

13. It is proposed that Yugoslavia's external debts, whether due to participating countries or to other countries, should be dealt with as follows:—

(a) Payments, including interest payments, due on all Yugoslavia's external debts with fixed repayment dates † (including compensation payments) should be postponed. Alternatively, if the government of any creditor country should consider an alteration of the contractual terms as impracticable, or for any other reason should so wish, such government may abstain from postponing payments by Yugoslavia, whilst taking such payments into account by adequately increasing its share of assistance.

(b) Five years from 1st January, 1951 would seem to be a suitable period of postponement of these debts but the three participating governments should keep the situation constantly under review, in consultation with the governments of other countries concerned, in the hope that this period may be reduced.

(c) In cases in which the government of any country decides not to postpone the payment of any debt due to that country, but instead to increase its assistance to Yugoslavia by an adequate amount, that governmer should continue to do so during the period of postponement.

(d) Before the end of the period of postponement Yugoslavia's capacity to repay its external debts should be reviewed. Yugoslavia's external debt repayment schedules should be revised along the lines of Appendix F unless review by the participating governments prove some other schedule to be more feasible.

(e) The above subparagraphs should apply also to debts on "swings" and overdrafts. In the case of any such debt, the government of the creditor country should agree that its amount (i) shall not on any 1st January in the period of postponement be less than it was on 1st January, 1951, and (ii) shall not at any time during the period of postponement either exceed or fall short of its amount on 1st January, 1951 except insofar as is justified by normal seasonal trading fluctuations.

---

† The French delegation reserves the right of its government to raise with the other participating governments the question whether this provision should apply to payments on the prewar external bonded debt due to private persons or whether such payments should be considered as part of the current Yugoslav deficit. [Footnote in the source text.]

*The Basic Economic Problem*

14. It is desirable to adopt an orderly approach to the problem of Yugoslavia's economic situation and to minimise the amount of assistance which will be required in the future. The assistance proposed in the preceding paragraphs should accordingly be supplemented by measures to ensure its effectiveness and to improve the basic conditions of the Yugoslav economy described in paragraph 2. It is clear that domestic demand should be reduced and production increased as far as possible.

15. As regards domestic demand, civilian consumption standards are low and probably could not be cut further without endangering the stability of the régime. The military programme is outside the scope of the present report. Therefore, the investment programme appears to be the only aspect of the demand side which offers the possibility of effecting remedial action. While it is understood that some progress in securing desirable modifications has been made by the IBRD further steps in this direction are likely to be required.

16. An increase in production could be achieved in three ways. Through a programme of training, the competence of managers, technicians and skilled labour could be improved and their numbers increased. Some capital expansion would also increase production, as would the giving of greater incentives to the population by changes in the regulations concerning purchasing, rationing, prices and taxation. These measures are of particular importance in agriculture. It is understood that the Yugoslavs are now making some progress along these lines.

*Relations With Yugoslav Government*

17. In order that the assistance which the participating governments extend to Yugoslavia shall achieve as far as possible their objectives it is necessary to co-ordinate procedure and to obtain certain measures of co-operation on the part of the Yugoslav Government.

18. On the other hand, it must be remembered that the Yugoslavs are proud of their independence. The Tito régime is devoted to its own Marxist ideology, is wary of Western pressure and foreign interference, but has not shown reluctance in dealing with international organisations of which it is a member. The delicate position of the Yugoslav Government both internally and in relation to the Cominform countries will have to be borne in mind in implementing the particular proposals of the participating governments. Though the Yugoslav Government's relations with the West are changing in the direction of greater co-operation, it would be a mistake to press the Yugoslav Government so hard as to endanger

the achievement of the objectives of the participating governments. In the circumstances it is difficult and perhaps undesirable to make a hard and fast assessment at this stage of how far the objectives will be achieved, and the participating governments will have to proceed by trial and error.

19. For the practical success of the plan of assistance co-operation by the Yugoslavs is indispensable. Though the main lines of the plan will have been previously agreed by the participating governments it should be presented to the Yugoslav Government in such a way as to avoid giving the impression that it is cut and dried. A number of changes, which may be necessary to meet objections, can be made so long as the plan is not altered substantially. The aim should be that the Yugoslav Government should agree in principle to the plan and in fact adhere to it later.

20. The participating governments have three types of direct control readily available; supervision of expenditure of funds provided, controls over their exports to Yugoslavia, and the handling of supply assistance. They may also require certain commitments from the Yugoslav Government as pre-requisites to the granting of assistance. Beyond this limited sphere the participating governments will have to rely on influencing the Yugoslav authorities by giving advice. They should seek to establish an atmosphere of mutual confidence in which the Yugoslav authorities will be receptive to such advice.

21. The Yugoslav Government must be left in no doubt that continuance of assistance by the participating governments depends on how far they are satisfied that the Yugoslav Government are taking measures to balance their foreign payments as soon as possible. Satisfactory assurances may be required from the Yugoslav Government of their determination to take such measures.

22. In connexion with paragraphs 20 and 21 the Yugoslav Government should provide such pertinent information as is necessary to enable the participating governments to evaluate and review on a continuing basis the amounts and types of economic assistance to be extended. In general this information is of the type commonly published by other governments, and is indicated in Appendix G. The exact form in which the information should be requested from the Yugoslav Government can be determined only after full discussion with them as to what is practicable, but the highest priority should be given to foreign trade and payments data. From time to time the Yugoslav Government should also provide the participating governments with projections of production, consumption, and balance of payments statistics.

23. Non-statistical information which is desirable includes descriptions of capital projects and progress on them, texts of trade,

and financial agreements and arrangements with other countries, and important changes in economic policy or organisation.

24. Periodic review of Yugoslavia's current needs, and decisions on the allocation and release of funds, should provide a means of control. The mechanism for releasing funds and the periods for which the Yugoslav Government should be promised assistance will need to be worked out in the light of the fiscal and legislative procedure of each of the participating countries, but as far as possible the participating governments should observe the principles of maintaining control of their own expenditure and at the same time giving the Yugoslav Government sufficient assurances to permit planning.

25. With regard to goods in short supply the participating governments should afford whatever assistance is appropriate in meeting Yugoslav import requirements, both in the administration of their domestic controls and in international discussions on allocations. As indicated in paragraph 20 the provision of such assistance in specific instances would, of course, be another way of influencing Yugoslav co-operation in carrying out the plan of economic assistance.

26. The setting up of a joint Mission of the participating governments would raise great administrative and possibly legal difficulties. Each of the participating governments will have representatives in Belgrade dealing with the Yugoslavs, in order to observe the utilisation of imports which those governments have financed and also to offer advice on ways and means of achieving viability. These representatives should maintain close liaison with a view to exchanging information and views. They should also avoid unnecessary duplication of effort, unnecessary burdens on the Yugoslav authorities and divergence in the advice which they give. The participating governments should consult with one another whenever a request for assistance is made by the Yugoslav Government to any one of them. Any information provided by the Yugoslav Government should be checked as far as possible by the participating governments. In particular, statistics established by the participating governments relating to trade between their countries and Yugoslavia should be exchanged as regularly as possible.

*Co-operation of Other Governments*

27. It is desirable to have as many governments as possible, in addition to the participating governments, associated with the plan of assistance, each making its maximum contribution and cooperating in the necessary arrangements. Non-participating governments should accordingly be approached by the participating govern-

ments, but only after the latter have reached agreement on the plan, and in accordance with a suitable time schedule.

28. The governments of other NAT countries have a common political interest with the participating governments in assisting Yugoslavia, and general agreement has already been reached by the NAT deputies on policy towards Yugoslavia. On the other hand, it is desirable to avoid the appearance that economic assistance to Yugoslavia has become a responsibility of NATO. In these circumstances it is proposed that the participating governments should use NATO channels to request other NAT governments to extend economic assistance to Yugoslavia. The request should stress policy considerations and should be in general terms. It should, however, indicate that the participating governments intend to follow it up with separate approaches through the diplomatic channel to ascertain the particular measures of assistance which each country will undertake and to discuss arrangements for co-ordination between the different countries.

29. The participating governments' presentation of the plan to the Yugoslav Government in accordance with paragraph 19 should begin concurrently with the proposed approach through NATO channels, and the Yugoslav Government should be told that the plan entails their requesting assistance from other governments and that the participating governments will wish to discuss in the near future the arrangements for doing this. The Yugoslav Government should not be told of the participating governments' request through NATO channels but a short period of time should be allowed for action to be taken on the request made to the Council Deputies. Thereafter discussions between the participating governments and the Yugoslav Government should take place with respect to the Yugoslav Government's requests to other countries, which should be arranged so as to permit the supporting diplomatic approaches by the participating governments to be as effective as possible. As soon as the arrangements with the Yugoslav Government are completed the participating governments should make their approaches to other NAT governments in the manner already indicated.

30. The participating governments should also suggest that the Yugoslav Government approach the governments of other countries to which it is indebted requesting the postponement of debt payments or equivalent action. The participating governments should indicate that they would give diplomatic support to such request. In making their supporting representations to those governments which are not members of NATO and whose principal reason for contributing would not be political, the participating governments should emphasise that the co-operation of all Yugo-

slavia's creditors is necessary to bring order into Yugoslavia's economic situation, to preserve their existing investment in Yugoslavia and to make possible the continuance of trade with that country.

30a. The situations of Western Germany and that of Austria, which differ both from those of other non-participating countries and between themselves, seem to call for individual treatment. The political considerations are somewhat similar to those affecting the NATO countries, but the participating governments have in Germany and Austria a position of greater and more direct responsibility, and there are additional factors such as the Austrian Government's relationships with the occupying powers. After necessary consultation the participating governments, acting through such channels as are found to be appropriate, should agree on means of urging the Federal German Government and the Austrian Government to do their part in the common effort to assist Yugoslavia, suggesting the specific measures necessary.

31. While working out with the Yugoslav Government the necessary arrangements and procedure by which the assistance extended can be made most effective, the participating governments should discuss these matters with the other governments associated with the plan of assistance. In particular these other governments should be asked to cooperate by affording whatever assistance is appropriate in meeting Yugoslav import requirements of goods in short supply, by not exporting capital equipment to Yugoslavia except as may be agreed, and by exchanging pertinent data with the participating governments on their trade and financial arrangements with Yugoslavia.

*Relations With International Bank for Reconstruction and Development*

32. The economic assistance over the eighteen-month period should be, in so far as possible, harmonious with any longer-term programme, including capital development, directed toward making it possible for Yugoslavia in due course to achieve economic viability, as measured by its independence of extraordinary foreign assistance and its standard of living. Since the IBRD was known to be considering the Yugoslav Government's request for a development loan, inquiries were addressed to the IBRD on this subject. In order to reply to these inquiries, two members of the staff of the IBRD were present in London for a series of consultative meetings with the three delegations.

33. At these meetings the representatives of the IBRD stated that a favourable decision by the Bank on loans to Yugoslavia was subject to certain changes in the Yugoslav investment programme, access to the 18% capital subscriptions of certain European

member governments, a satisfactory settlement of Yugoslavia's outstanding external indebtedness, and satisfactory assurances that Yugoslavia's current account deficit would be met without increasing Yugoslavia's debt burden. They stated that the IBRD was interested in the outcome of the tripartite discussions, since the decisions of the participating governments about aiding Yugoslavia were directly connected with these conditions for loans by the IBRD.

34. In the course of the consultation with the representatives of the IBRD there was general discussion on the estimate of Yugoslavia's current deficit, the magnitude of Yugoslavia's burden of external debt, Yugoslavia's chances of reaching equilibrium in its balance of payments, the character of the IBRD's projected loan programme for Yugoslavia, and the problem of co-ordinating the participating governments' assistance with any IBRD loan programme. The Bank estimated that at average 1950 prices the Yugoslav deficit in 1951 and 1952 together would be $100–125 million of which 75% would be attributable to 1951. They expected to see a substantial improvement in the Yugoslav short-term situation in 1952 compared with 1951, and they expected that the current trading account should be balanced by the beginning of 1953, provided that assistance in the meantime were made available on a grant basis, as they considered it should be.

35. The representatives of the IBRD stated that the Bank staff were at present concerned with the first two tranches ($27.8 million and $30.1 million respectively) of a loan programme of approximately $200 million dating from 1st September 1950 and including the German, Austrian and Belgian loans totalling $59 million negotiated since that date. The figure of $200 million was based on their investigation of the Yugoslav economic situation which also led to the conclusion that, given this loan programme, Yugoslavia would from 1956 be able to pay a maximum of $25–30 million annually for all external debt service, including the service of any IBRD loan. As the existing contractual position of Yugoslav external indebtedness (Appendix H) requires payments far in excess of this maximum in the next few years, excluding pre-war debts, a tentative schedule of repayments was prepared by the three delegations and the IBRD representatives on the assumption that most of the debts were funded over fifteen years from 1956 at 4½% per annum. This schedule, corrected in a few details, is given in Appendix I: it shows payments in 1956 totalling $46 million, an amount still in excess of the IBRD view of Yugoslavia's ability to pay. In these circumstances the IBRD representatives considered that they could not properly make any suggestions as to what the participating governments should do, but that if the IBRD loan were to go

ahead something would have to be done about the liabilities in respect of present external debts. After careful consideration the three delegations reiterated to the IBRD representatives the importance which they attached to the making by the IBRD of loans to Yugoslavia and of their wish that the Bank should participate with them in helping the Yugoslavs to balance their foreign payments, but stated that they had not at that time been able to give adequate consideration to that part of their plan dealing with Yugoslavia's present external debt. They agreed, however, that the schedule of debt payments (Appendix I) would require modification in order to reduce the burden on Yugoslavia and that they would make recommendations to their governments to take steps in this direction (see paragraph 13).

36. The IBRD representatives were asked whether they could take over on a long-term basis the German, Austrian and Belgian loans already negotiated, and also miscellaneous items of capital equipment which are included by the Yugoslav Government in the current trading account. They expressed grave doubts about the former, as refinancing was against the Bank's normal practice, but did not definitely exclude the possibility. The latter would depend on the Bank's judgment of the specific projects to which the items applied.

37. In response to a number of specific questions put by the representatives of the IBRD the three delegations informally stated the following as their joint views: (a) Yugoslavia should receive assistance in covering its current deficit and should be assisted to carry out an investment programme directed to the strengthening of its productive capacity and the elimination of that deficit. (b) Yugoslavia's current deficit in the period 1st January 1951 to 30th June 1952 (excluding food imports, the import of capital equipment and the extraordinary import of military end-items and of common-use items for defence) at prices ruling early in 1951, would be about $133 million. (c) The three delegations hoped that as a result of action resulting from their deliberations, including action taken by Yugoslavia, the deficit would decrease. (d) On economic and political grounds Yugoslavia's current deficit should, if possible, be covered by grants, although certain delegations had not then completed their exploration of the practical possibilities of their governments giving aid in this form (see paragraph 8). (e) Yugoslavia's imports of capital equipment should be financed on terms similar to those on which the IBRD generally finances such imports. (f) Co-ordination of short-term current assistance and the programme of investment loans is of the greatest importance.

38. In the light of these discussions, it is desirable that when the plan of assistance has been agreed, the participating governments

should comply with any request from the IBRD for general information about it. Close liaison should also be maintained between the participating governments and the IBRD in connexion with the IBRD's long-term loan programme.

---

## No. 907

740.5/6–1651: Telegram

*The Secretary of State to the United States Deputy Representative on the North Atlantic Council (Spofford)* [1]

TOP SECRET WASHINGTON, June 16, 1951—4 p.m.

Todep 527. Eyes only for Spofford.

1. In accordance with NSC 18/6 [2] Def is proposing mil conversations with Brit, Fr and Italians re mil support Yugo in event of attack on that country. Such planning wld be without commitment. These conversations wld be based on use of currently available forces. There is agreement these shld be initiated promptly.

2. Def also proposes parallel planning in NATO for use of NATO forces as their mil capabilities permit and wish insert paper in SG promptly.

3. Question has arisen whether, in view of fact Yugo territory not covered by treaty and forces whose use wld be involved in plans wld come from several NATO countries not members SG, wld be desirable secure political decision in deps to planning by SG for this contingency before planning actually begun. Such agreement wld flow naturally from intelligence appraisal Yugo situation. Wld not represent any agreement as to action to be taken in event of attack which presumably wld have to be considered under provisions Art 4 of treaty. Alternative proposal designed to get planning started more quickly is to initiate planning in SG with SG subsequently notifying deps of fact that planning as to mil action which NATO might take in case of attack was going forward but of course without commitment. This might be interpreted as carrying out recommendation of deps in D–D(51)29 Final. [3]

4. Wld appreciate your views as to time which might be involved in securing deps approval and as to reaction govts if SG proceeds and notifies.

---

[1] Drafted by Martin and cleared with Perkins, Matthews, Cabot, Higgs, and Captain Murdaugh of Defense.

[2] Not cleared for publication when this volume went to press.

[3] The text of this NATO document was transmitted to the Department of State in telegram Depto 457 from London, Document 840.

5. This is State–Def message.

ACHESON

---

## No. 908

768.551/6–1851

*Memorandum of Conversation, by the Secretary of State* [1]

SECRET [WASHINGTON,] June 18, 1951.

Subject: Courtesy call of General Koca Popovic

Participants: The Secretary
Assistant Secretary Perkins
Colonel General Koca Popovic, Chief of Staff of the Yugoslav Armed Forces
Vladimir Popovic, Yugoslav Ambassador
Mirko Bruner, First Secretary, Yugoslav Embassy, Interpreter
John C. Campbell, EE

General Popovic came in on a courtesy call before his return to Yugoslavia. I told him that I was very glad that he had come to this country and that I had been told by General Bradley and other US military officials of the conversations the General had had with them. I asked him whether he was satisfied with the results. He said that he was reasonably satisfied and regarded the agreements reached here as initial steps toward further cooperation. [2] I said that we regarded them in the same way. I then told General Popovic that I hoped he had been able to gain some impression of the attitude of the American Government and people in regard to his country. I said that the US had a great interest in that part of the world and admired the determination of the Yugoslav people and government to defend their independence. I said that we realized the existence of the threat of aggression against Yugoslavia and other free countries and trusted that the Yugoslav Government saw that all of us would have to work together to end that threat. General Popovic said that the Yugoslav Government saw the situation in the same light.

I indicated that the talks which the General had had here should be useful to both sides and inquired what he considered the next steps would be. He said that there would follow detailed technical

---

[1] Drafted by Campbell.

[2] A six-point agreement, calling for rapid shipment of military equipment to Yugoslavia and consultations between military experts of both countries was signed by Eddleman and Popović on June 13. (Department of Defense files)

talks here to determine what equipment might be made available to Yugoslavia. I asked him about US officers going to Yugoslavia for technical talks. Mr. Perkins added that our military representatives regarded this as necessary as a means of becoming acquainted with types of Yugoslav equipment, training and other aspects of the problem. The General said that for political reasons the Yugoslav Government thought that it would be premature to have an American military mission go to Yugoslavia at this stage. He said that the technical talks should be begun here and that later we could see how things developed.

Ambassador Popovic mentioned that the Washington talks had been limited to military questions and said that it was necessary to put them in the broad context of political relations. He asked whether I could say anything on that point. I said that relations between the two countries had steadily improved and that the US fully understands Yugoslavia's position and need for assistance. I referred to the recent conversations with the UK and France concerning economic aid to Yugoslavia over a longer period than hitherto and in addition to the emergency assistance which we had provided as a result of last summer's drought. I said that in the military field the US desired to work with Yugoslavia on a basis of mutual confidence.

I asked General Popovic whether he would like to say anything in regard to Soviet intentions in Europe, particularly this year. He said that it was perfectly clear that Soviet intentions were not benevolent. He said that they were working both inside and outside of Yugoslavia with the aim of destroying Yugoslav independence. The question was not whether but when they would take action. I asked him about the military build-up in the satellite states surrounding Yugoslavia. He said that their armies were being built up to the point where they could be used against Yugoslavia at any time. He said that Bulgaria was the best equipped and trained army, followed by Hungary and Rumania. The Ambassador mentioned that in Hungary former officers of the old army were being called back to service, indicating the rapid expansion which was taking place.

In the course of further remarks concerning the usefulness of General Popovic's visit, he stated that he intended to make a full report to Marshal Tito of American policy and attitudes toward Yugoslavia as he could judge them both by his talks with US military officials and his more general discussion of Yugoslav-American relations with me today.

DEAN ACHESON

## No. 909

740.5/6-2051: Telegram

*The United States Deputy Representative on the North Atlantic Council (Spofford) to the Secretary of State*

TOP SECRET LONDON, June 20, 1951—8 p. m.

Depto 1149. Eyes only.

1. On balance believe it preferable that SG initiate planning re mil action which NATO might take in case attack on Yugo (Todep 527, June 16 [1]). This readily justified as implementation paras II (D) and (E) D-D (51) 29 (final). [2]

2. We inclined think this procedure preferable to involving CD at this point for following reasons in addition to that of speed mentioned in reftel: (1) raising question in CD might give further opportunity some other deps to raise substance Mediterranean issue; (2) since procedure contemplated is purely planning, see some advantage in keeping NATO action at military rather than political level where some countries might be inclined proceed more slowly. At present state, problem appears purely military and initially one of obtaining info on available Yugo forces and matériel and their needs and secondarily what should be done by NAT govts.

3. However, political consideration will presumably become necessary when question of commitments (also possibly on priorities of equipment) are posed, and it would be desirable to maintain support which we have so far obtained from smaller countries on Yugo by political consultation in CD. Accordingly recommend that at an early date, assuming Greek-Turk and Mediterranean situation are by then slightly clearer, MilRepCom and CD be informed that SG has initiated studies from military point of view of possible steps in line with paras II (D) and (E) of D-D (51) 29 (final).

4. Re para 4 reftel, while we could not estimate with any assurance what time might be required to secure CD approval if question raised there first, we do see possibilities for delay (see para 2 above). We have no reason to believe that reaction of other govts to SG going ahead would be seriously adverse, provided CD and MilRepCom advised at early state and it is made clear SG's work was merely military study for governmental consideration in due course.

5. CINCNELM and JAMAG concur.

SPOFFORD

---

[1] Document 907.

[2] The text of this document was transmitted in telegram Depto 457 from London, Document 840.

## No. 910

ECA mesage files, FRC 53A278, Belgrade: Telegram

*The Deputy Administrator for Economic Cooperation (Bissell) to the ECA Mission in Yugoslavia* [1]

SECRET WASHINGTON, June 21, 1951—9 p. m.

Ecato 42. [2] Subject—Yugo EPU Accession. Dep/ECA greatly concerned problem financing US share econ aid to Yugo after close FY 1951 and pending enactment new fon aid legislation which not expected until fall. Some concern too that Congress may specify econ aid to non-ERP countries be confined to loans. Three alternative methods appear available:

1. Further allotment MDAP funds. Assuming interim Cong authorization beginning 1 July, allotment cld be made from such authorization. However, use MDAP funds for Yugo requires Cong Comite approval which may have polit repercussions and military character of fund FY 51 and strictly military end-item character planned FY 52 may make use for urgent econ needs most difficult.

2. Use ERP funds. ECA has available funds gen EPU use to cover most urgent Yugo needs. If Yugo joined EPU we contemplate initial credit positions or special assistance financed by US, UK, Fr, and others, and possibly direct aid from US. Disbursements via EPU wld be released quarterly instead of in lump and wld permit control by us or through EPU special Sub-comite managing board. Such use of ECA funds under existing leg whether for EPU deficit or U.S. purchases wld require that Yugo become Participating Country. ECA advises that Yugo membership EPU wld establish Yugo status as Participating Country. Before allocating funds on this basis, however, Dept and ECA wld wish advise with appropriate members of Congress re this procedure.

Uncertain here whether (a) Yugo willing become EPU member, (b) other EPU members wld act favorably on Yugo application, (c) membership cld be effectuated in time actually to provide alternative aid channel and (d) relationship to tripartite London agrmt. [3]

3. Specific authorization gen econ aid to Yugo on interim basis. In view polit delicacy, both on merits and in relation to entire aid program, this shld, if at all, be last resort.

Without as yet bringing problem to attention either FPRY or EPU members, request your comments following immediately.

---

[1] Drafted by G. L. Green and cleared with Porter, Hopkinson, Van Dyke, Ebb, Cox, and McCullough. Sent also to Paris and London.

[2] In order to expedite distribution and action on communications relating to ECA activities in Yugoslavia, a separate Ecato-Toeca cable series was established between Washington and Belgrade on May 15; communications between Belgrade and Paris on ECA matters were to be sent on the Repto-Torep telegram series. Both series of telegrams are in ECA message files, FRC Acc. No. 53A278, Belgrade.

[3] This is a reference to the Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia, Document 906.

Belgrade pls indicate whether in your judgment FPRY now ready join EPU, if US willing to use good offices to facilitate membership. [4]

OSR pls give your judgment whether OEEC members might accept Yugo membership in EPU readily if needed to continue aid to Yugo pending new fon aid bill passage. If not, how long do you estimate process wld take? Wld Yugo accession seriously jeopardize longer range objectives which EPU designed to serve? [5]

Emb London pls indicate effect, if any, of a US proposal to implement London agrmt through Yugo accession EPU, particularly attitudes of other tripartite conferences to such procedure. [6]

BISSELL

[4] In telegram 1977 from Belgrade, June 26, Ambassador Allen reported that Yugoslavia would apply for membership in the EPU if the United States assured them of willingness to help facilitate their request. (840.10/6–2551)

[5] In the opinion of the OSR in Paris, whose views were transmitted to the Department of State in telegram Toeca 23 from Belgrade, July 2, by Richard Allen, Yugoslav membership in the EPU would require a very complicated procedure and therefore should not be rushed through. The estimated time required to work out the problems involved was at least 6 months. (ECA message files, FRC 53A278, Belgrade)

[6] The Embassy in London reported in telegram 6901, June 28, that the British and French voiced "considerable opposition" to special membership for Yugoslavia in the EPU. (868.00/6–2851)

## No. 911

611.68/6–2551: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, June 25, 1951—5 p. m.

1979. . . .

There is considerable evidence that Yugoslav Govt is now carrying on major pro-American educational campaign inside army and CPY as mentioned Weeka 25 [2] and Embdesp 990, June 22 being pouched June 28 [3] reporting lecture given Yugoslav armed forces. Increasingly cordial attitude of Yugoslav officials and their reception of recent American visitors and correspondents has been noted.

[1] Repeated to Paris, London, and Moscow.

[2] Weeka 25 briefly noted several instances in which Yugoslav officers were being indoctrinated in a pro-American party line. (768.00(W)/6–2251)

[3] Not printed.

Whatever motives for this campaign may be, it has undoubtedly been promoted by fortunate experience which Yugoslavs have had in obtaining prompt and effective assistance from Washington and in handling of food program by our observers here. Continuation of our present policy of winning Yugoslav confidence is especially important in view time required to have new Yugoslav line filter down to operating level in federal govt and particularly to remote republic govts, such as Macedonia. Resistance can be expected from hard-core of old-line theoretical Commies and from such Cominform remnants as may be left. Significance attaches this connection to recent arrests of former head metal workers union (Embtel 1729 [4]), of Asst Minister Finance Voja Srzentic (Embtel 1889, June 11 [5]), and removal during past few days of Goronovic, Asst Minister of Agriculture, and Leksic, of Health Ministry all of whom were strong Marxists and doubtless reluctant to trust capitalist west. I have no doubt number of further changes of officials will be necessary, particularly in middle and lower ranks, if progress is to be made in relaxation of police methods. Numerous lower Commie officials throughout Yugoslavia who are generally not Cominformists but who have ruled their communities with iron hand for past five years and know they are hated by majority of local population, fear for their necks if police relax suddenly.

Suggestion is even heard among foreign observers here that Tito is moving too fast towards west for his own good. There has been some grumbling inside CPY for several months, but I believe Tito's position in country as whole has been strengthened by new orientation and that he will gradually remove those who are reluctant to go along.

ALLEN

---

[4] Telegram 1729 summarized a report which appeared in *Borba*, Yugoslavia's Communist Party newspaper, that Lazar Plavšić was arrested for maintaining contact with the Cominform underground in Belgrade. (768.00/5–2151)

[5] Telegram 1889 informed the Department of State that Srzentic had been arrested following the disappearance from his office of files pertaining to the IBRD negotiations. (768.00/6–1151)

## No. 912

ISAC files, lot 53D443

*Paper Prepared by the Economic Cooperation Administration* [1]

SECRET [WASHINGTON,] July 13, 1951.
[ISAC D-10/2]

### ECONOMIC AID TO YUGOSLAVIA

The following is a report of ECA's activities administering the $29 million raw material program to Yugoslavia and a request for about $10 million a month for similar purposes during the present quarter on the assumption that the Mutual Security Program Bill will not be enacted before the end of September.

*I. ECA's Administration of the $29 Million Program for Yugoslavia*

A. *Authority.* On March 16, 1951 ISAC agreed (ISAC 12) that the United States should make up to $29 million available to Yugoslavia to finance imports of raw materials and similar supplies equivalent to certain consumption needs for supporting its armed forces. [2] After consultation with the NAT countries the President on April 16th notified Congress as required by Section 408(c) of the MDA Act. [3] On April 18, 1951 ECA received an allocation of $10 million for such purposes followed on May 10, 1951 by another allocation of $19 million.

B. *Exchange of Notes.* On April 16 and 17 the U.S. Ambassador in Belgrade exchanged formal notes with the Yugoslav government supplementing the previous exchange of November 17, 20, and 21, 1950 occasioned by the food program. [4] In brief this exchange, tantamount to a bilateral agreement, noted that in view of the mutual desire of both countries "of fostering international peace and security" the U.S. government was prepared "to extend immediately assistance in the form of raw materials and other supplies" and agreed that:

1) Imports financed by these funds would be used exclusively by Yugoslavia.

---

[1] According to the cover sheet attached to the source text, this ECA paper was circulated as ISAC D-10/2. Also attached to the source text was a memorandum by Halaby to Cabot, dated July 12, informing him that although the recommendations in this paper are those of the ECA, they were derived from discussions between representatives of the ECA, the Department of State, and the Department of Defense.

[2] Concerning this decision by ISAC, see the memorandum by the Foreign Aid Committee (ISAC D-10), Document 874.

[3] See Document 892.

[4] See Document 892.

2) Yugoslavia will continue to facilitate the exports of strategic materials to the U.S.

3) The U.S. would have freedom "to observe, supervise and report" the receipt and distribution of the U.S. financed imports.

4) Full publicity consistent with security requirements would be given to the program in the U.S. and in Yugoslavia.

5) Yugoslavia would "take appropriate measures to enable it to become independent of extraordinary outside assistance".

6) Yugoslavia would deposit dinar counterpart equivalent to the dollar cost of the financed goods, of which 5% would be available to the U.S. and 95% could be drawn by the Yugoslavs for programs agreed to by the U.S. for purposes broadly defined as "consistent with the objectives of this agreement".

C. *Commodities Financed.* On the basis of requests submitted by the Yugoslav Embassy in Washington, ECA, and the Departments of State and Defense developed a list of commodities eligible for U.S. financing under this program. By the end of the fiscal year ECA had obligated $27.9 million for the following commodities:

FUNDS OBLIGATED

| *Commodity* | *($ Millions) Value* |
|---|---|
| Raw Cotton | 6.9 |
| Iron and Steel Products | 6.1 |
| Industrial and Other Chemicals | 2.9 |
| POL | 2.2 |
| Coke | 1.6 |
| Transportation | 1.5 |
| Tallow, Fats and Oils | 1.5 |
| Wool Rags | 1.2 |
| Medicinal and Pharmaceutical Products | .9 |
| Rubber Products | .9 |
| Textile Products | .7 |
| Hides and Skins | .5 |
| Other | 1.0 |
| *Total* | 27.9 |

ECA is holding the remaining $1.1 million in reserve pending a determination of the contractual arrangements established when, with the help of ECA and the State Department, Yugoslavia purchased on an emergency basis about 1,000,000 kgs. of Greek cotton. This reserve will either be used to reimburse Greece or to finance additional goods under the program to Yugoslavia.

D. *Problems.* Despite 1) the necessity to program efficiently yet to obligate quickly the $29 million, 2) the inexperience of both the Yugoslavs and the economic staff in Belgrade in dealing with this

type of program, 3) the unusual amount of inter-agency consultation required in Washington, the program ran surprisingly smoothly. Two problems, however, arose continuously: the limitations of eligibility criteria; and the need for procurement assistance.

1) Eligibility. Among the eligibility requirements those on quantities, prices, and source of procurement established some of the more difficult obstacles to efficient and rapid programming to meet the immediate commodity needs of Yugoslavia.

(a) Quantitative. It was difficult to get the Yugoslavs, who envisage their whole country as an armed camp with the economy geared to an energetic arms program, to understand that ECA using MDAP funds was forced to limit its financing to these types of commodities consumed by the army and the quantities to the equivalents of the consumption needs of the armed forces. Consequently, for example, ECA could not finance newsprint which the Yugoslavs considered a political necessity nor could ECA finance sufficient cotton imports to permit the Yugoslavs to build up a minimum of working inventories which had been completely depleted during the past year. This problem should be alleviated by a more liberal interpretation of the statutory authority especially as these funds could be considered as advances on the 1951/52 program which will not be subject to these limitations.

(b) Prices. Regulation 1 of ECA does not permit ECA to finance procurement of goods at prices which after allowances for differences in qualities, delivery period, or transport costs are materially higher than those ruling in the U.S. Due to the lack of foreign exchange and the *ad hoc* and emergency nature of previous aid programs, Yugoslavia had placed insufficient forward contracts on many of the goods eligible for financing under this program but in short supply throughout the world. Consequently, these they wished to purchase at spot, grey or black market prices. To a certain extent this problem should diminish as aid programs are planned on a more continuing basis permitting Yugoslavia to avoid high spot prices by forward planning and contracting.

(c) Source. Inasmuch as the London talks (ISAC 10/1 [5]) ended in an agreement that France and the United Kingdom would be granting funds to cover about 35% of Yugoslavia's current balance of payments in all currencies, ECA has endeavored not to finance any off-shore procurement in either the sterling or the franc area. Yugoslavia's franc needs are small, however, and the U.K. signed a 4 million pound loan to Yugoslavia to finance cotton, wool, jute and rubber from the sterling area in April 1951; consequently, as yet this has not emerged as a serious eligibility problem.

[5] ISAC 10/1 was a copy of the Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia which took place in London; for the text of this report, which was circulated among the members of ISAC, see Document 906.

2) Allocations. In some ways almost as important as the grant of dollars to the Yugoslavs has been the procurement assistance rendered by the government for ECA and non-ECA financed goods in large part facilitated by the letter from Mr. Cabot to Mr. Wilson. Although the redtape and prodding involved is probably not much more of a problem for Yugoslavia than for other countries, there has been a tendency among some firms to be reluctant to give preferential treatment to a country which is Communist and which they believe might not be a continuing customer.

E. *Effect.* As the $29 million raw material program is but one among several different programs, it is difficult to isolate the impact upon U.S.-Yugoslav relations of this program from the others. Even at this early date, however, it has been obvious to those working on the program that the aid has helped to provide some of Yugoslavia's most pressing needs especially for cotton, coke, and tinplate without which manufacturing plants would have had to shut down. Although the Yugoslav's are still wary in dealing with us, there is a noticeable improvement in the frankness and cooperative spirit in which they have approached ECA.

*II. The Need for More Funds*

A. *Need for Authority.* The $29 million program was designed to meet Yugoslav needs only until July 1, 1951 (TF I AS-18 [6]). The need for aid continues and although a provision for Yugoslavia is included in the MSP legislative request it is extremely doubtful that funds will become available through enactment of the current bill for several months. Consequently, to continue to "keep Tito afloat", authority should be found to provide at least minimal funds available from Congressional Joint Resolutions during the interim period.

B. *About $30 Million Needed during the Present Quarter.* From the analysis of the London economic talks on Yugoslavia and more recent data, ECA estimates that the current balance of payments deficit of Yugoslavia will be about $50 million during the second half of the calendar year ($39 million deficit in trade and services and about $11 million in net loan payments due). Due to seasonality (Yugoslav payments run higher than receipts during the summer before the harvest is in) and because orders for fourth quarter deliveries of some commodities should be placed during the third quarter, funds should be made available to cover about 75% of the deficit for the half-year during the present quarter. This would bring the overall needs for the quarter to about $38 million, of which the share of the United States is 65% (ISAC D-10/1), or

[6] Task Force I Action Summary 18 is not printed, but see footnote 2, Document 874.

about $25 million. This total does not include provision for the U.S. share of so-called extraordinary common-use needs which will probably not run higher than $5 million during the present quarter. Consequently, the U.S. should be prepared to offer between $25 million and $30 million in and during July, August, and September at a rate of about $10 million a month as advances towards its commitments made at the London talks.

C. *Authority from Section 408(c) of the MDAA.* For the same reasoning used in the $29 million program (TF I AS–18), funds provided under joint resolutions of Congress could again be allocated to ECA by the President under Section 408(c) of the MDA Act to supply critically needed goods and services to Yugoslavia during the present quarter. These funds could be reimbursed by ECA from its Title I funds upon enactment of the Mutual Security legislation. Although as is indicated in ISAC D–10, this authority should be used sparingly, no other method of maintaining a flow of funds to Yugoslavia is presently available.

Utilization of this authority involves consultation with NATO and notification to appropriate committees in Congress. Inasmuch as the consultation with NATO under the $29 million program was couched in broad terms (Todep 312, March 21, 1951 [7]), it need not be repeated for this purpose. Notification would have to be made to Congress, but it could be made once in respect to the amount of funds the President would contemplate allocating if and when funds were made available during July, August, and September.

D. *Goods to be Financed.* The Yugoslav government is expected to submit a request for its high priority import needs eligible for financing under the MDAP legislative authority within the next few days. Until such a list is submitted the following could be used as an illustrative program for the three month period:

[7] Document 879.

| *Commodity* | *$ Million* |
|---|---|
| Coke | 2.0 |
| POL | 2.5 |
| Iron and Steel Products | 6.0 |
| Spare-parts and Tools | 2.0 |
| Ball Bearings | .5 |
| Wool, Wool Yarn, and Wool Rags | 6.0 |
| Raw Cotton and Staple Fiber | 4.0 |
| Rubber and Tires | 1.5 |
| Industrial Chemicals | 1.5 |
| TNT | .5 |
| Pharmaceuticals | .5 |
| Transportation | 1.5 |
| *Other | 1.5 |
| *Total* | 30.0 |

*III. Recommended Action*

A. Inasmuch as: (i) Yugoslavia will probably require aid under the criteria of NSC 18/6 [8] of about $10 million a month during July, August, and September; and (ii) such aid can only be provided until Congress passes the foreign aid legislation for 1951/52 through Section 408(c) of MDAA, ISAC agrees that:

---

*"Other" would include a small amount for technical assistance. [Footnote in the source text.]

[8] Not cleared for publication when this volume went to press.

1) the appropriate committees of Congress should be consulted by a committee representing the Departments of State and Defense, ECA, and the Executive Office with respect to a further interim utilization of MDAP funds to provide critically needed goods and services to Yugoslavia equivalent to certain consumption needs in the support of the Yugoslav armed forces

2) the President be requested to allocate about $30 million during July, August, and September for such purposes.

B. Inasmuch as such funds could be considered as advances which could be reimbursed from Title I funds ISAC agrees that ECA shall have the primary responsibility for determining the precise types and quantities of goods and services financed under this program. [9]

---

[9] According to the minutes of the ISAC meeting of July 18, the following five steps were approved by the Committee:

"(a) The U.S. will consult through the Council Deputies with NATO countries on both economic and military end-item assistance to Yugoslavia;

"(b) Without waiting for completion of step (a), Congressional Committee approval will be sought for the interim use of MDAP funds to provide critically needed goods to Yugoslavia. . .;

"(c) The President will give the necessary notification under Section 408(c) of the MDA Act;

"(d) The President will allocate the funds (about $30 million during July, August, and September) to ECA; and

"(e) The funds to be used for this purpose will be reimbursed through transfer for FY '52 economic funds to funds available for military end-item programs." (ISAC files, lot 53D443, ISAC M-31)

---

## No. 913

768.5/7-1451: Telegram

*The Secretary of State to the Embassy in the United Kingdom* [1]

TOP SECRET PRIORITY WASHINGTON, July 14, 1951—2 p. m.

300. Eyes only for Amb. In planning for possibility Soviet-inspired aggression against Yugo and operational measures which

---

[1] Drafted by Campbell and cleared with Perkins, Bonbright, Matthews, Captain Murtaugh of Defense, and RA. Also sent to Paris and Rome, and sent by pouch to Belgrade.

might be taken in that event, Dept of Defense desires undertake conversations with appropriate mil auths of UK, Fr and Italy, for which approval on polit level required. While this question concerns all NATO countries and will be introduced into Council Deputies and SG in due course, direct bilateral talks by US mil reps with UK, Fr and Ital mil reps considered necessary as immed measure.

Approach appropriate officals govt to which accredited making fol points:

1. Western nations cooperating in policy toward Yugo which finds expression in current programs of econ and arms aid.
2. In pursuit objectives this policy they must also consider possible action to be taken in event attack on Yugo actually occurs. Such would of course be polit decision of utmost importance which perhaps can only be taken in light of circumstances existing at the time of attack. However, without prejudice to such decision, US Govt regards as prudent and necessary initiation of mil discussions for development of common plans and understanding.
3. US Govt has in mind, re scope of planning, that it be confined to action which might be taken, short of initiating global conflict, in response to overt satellite attack on Yugo, although it will be essential that planning for ltd action not compromise steps which wld be required if global conflict were to result from such attack.
4. US Govt believes that mil planning for eventuality satellite attack on Yugo shld be initiated soon as possible within NAT framework. Such planning, involving no commitment as to action, wld be for use of NAT forces when strong enough to permit use in support of Yugo in addition to requirements for defense NAT areas, if NAT govts after consultation under provisions of art 4 of NAT, determined action to be appropriate.
5. Meanwhile, more urgent problem is initiation staff talks between US and NAT members most directly concerned, to develop plans, particularly re use of bases, with understanding planning involves no commitments except by subsequent mutual agreement.
6. US Govt earnestly hopes govt concerned will give agreement, on basis of which US mil auths will request Chiefs of Staff of that govt to designate an officer with whom mil staff talks can be held promptly in Eur on subj plans for mil support for Yugo in case of attack on that country.

Emb Rome in approaching Ital Govt shld introduce subj by referring to recent US, UK and Fr consideration of related problem of provision of arms assistance to Yugo. Suggest Emb say Ital Govt being informed this matter because of its direct interest in Yugo situation and gen agreement, indicated in NATO Deputies consideration of subj and in other ways, with policy Western support to Yugo to maintain independence against pressures and possible attack from east. Point out (1) three govts have had this problem under study and are preparing to make certain matériel available to Yugo for purpose strengthening Yugo armed forces; (2) Yugo re-

quirements have been gone over and each of three govts has been given consideration to which of these requirements it might fill; (3) In this connection Col. Gen. Koca Popovic, Chief of Staff Yugo armed forces, made visit to US in May and June. (4) Following his visit Yugo Govt on June 28 made formal request to US Govt for arms aid, to which Dept giving urgent and sympathetic consideration. (5) Can be assumed any aid provided on basis this request wld be under MDAP or new MSP legislation. US has already sent one shipment, largely small arms and arms [*sic*], prior to formal Yugo request and not on basis that legislation.

FYI, Brit and Fr have agreed desirable give Itals such gen info on tripartite program arms assistance to Yugo. More detailed info may be provided later.

ACHESON

---

## No. 914

768.56/7-1451

*The Acting Secretary of Defense (Lovett) to the Secretary of State*

TOP SECRET WASHINGTON, 14 July, 1951.

DEAR MR. SECRETARY: It is understood that the Yugoslav Government on 28 June 1951 presented a formal request to this Government for military assistance on a grant basis under the Mutual Defense Assistance Program. [1]

As you are aware, conversations between Colonel General Popovich and representatives of the Joint Chiefs of Staff on the subject were recently concluded in Washington. A copy of the memorandum of agreement signed at the conclusion of these conversations is transmitted for your information. [2] As your Department was advised by memoranda dated 30 April [3] and 18 May 1951, [4] these conversations were not to involve any commitment on the part of the United States. The U.S. Government is not obliged to accept the recommendations of the military staff conferees.

Points 1 and 2 of the recommendations are currently being implemented in this department. Action on Point 5 will be taken by this department in due course subsequent to the signing of the bilateral agreement for MDAP aid. No interdepartmental action in these matters appears necessary now. Point 6 repeats the recom-

---

[1] A copy of the Yugoslav note is in file 768.5/6-2851.

[2] Not printed, but see footnote 2, Document 908.

[3] Document 894.

[4] Not printed.

mendation detailed in paragraph 4 of the Department of Defense memorandum dated 30 April 1951 to Mr. Matthews (Eyes Only). It is requested that you complete or initiate the arrangements requested therein.

The Department of Defense is not prepared to accept the recommendations set forth in Point 4. It is believed that the bilateral agreement and other administrative arrangements for the grant aid program to Yugoslavia should conform in substance to the pattern followed in other recipient countries for the following reasons:

a. The arrangement contemplated in Point 4c would be inadequate to safeguard the interests of the United States. A United States Military Assistance Advisory Group (MAAG) should be established with guarantees by the Yugoslav Government as to its freedom to perform normal MAAG functions. The existing attaché staff not only has other full-time responsibilities, but is not technically competent to perform these functions. Augmentation, when agreed to by Yugoslavia, might meet this objection, but it would still not be sufficient for the U.S. personnel involved merely to be "kept regularly informed."

b. The acceptance of the arrangement contemplated in Point 4c would probably have unfavorable repercussions in a number of other MDAP recipient countries, where the United States has insisted that they agree to the introduction of a MAAG for performance of its usual functions, despite the fact that such countries frequently have resisted this action as a means of avoiding United States scrutiny of their use of matériel aid.

It is believed that we should, in pursuance of the approved NSC policy, finalize an MDAP agreement with the Yugoslav Government if satisfactory arrangements can be made. A MAAG, or a substantive equivalent thereof, is a necessary part of those arrangements. There is no objection to procedures or measures of form, rather than of substance (such as use of civilian clothes, a minimum of publicity concerning the MAAG and its functions, and keeping the size of the MAAG to a minimum) designed to meet Yugoslav desires.

As to Point 3, the desires of this Department were stated in memoranda to Mr. Matthews dated 30 April,[5] 15 May,[6] and 15 June 1951.[7] There is no objection to holding an initial conference

---

[5] Not printed, but see footnote 2, Document 894.

[6] The memorandum of May 15 recommended that arrangements proceed immediately for the bilateral talks with the Yugoslav military delegation and stated that the Department of Defense had no objections to participation by one French and one British observer provided that this arrangement was reciprocal. (768.56/5–1551)

[7] The memorandum of June 15 stated that the Department of Defense had no objection to a visit to Washington by a Yugoslav technical supply team but that this visit could only supplement, not replace, the technical talks desired in Yugoslavia. (768.56/6–1551)

in Washington. However, it is not likely that a conference in Washington will permit accomplishment of the purposes set forth in the memorandum of 30 April.

It is therefore recommended that:

a. The United States take the position that the agreement for MDAP assistance must provide for the substance of the normal U.S. legislative and policy requirements.

b. In the interests of maintenance of good faith and of avoiding misunderstanding, the full impact of all the requirements of the bilateral agreement, both explicit and implicit, be made clear to and agreed by the Yugoslav representatives.

c. The proposal in Point 3 be approved subject to Yugoslav agreement that a programming survey in Yugoslavia, either by a special U.S. Mission or by the MAAG personnel, is a condition of U.S. agreement to furnish assistance.

ROBERT A. LOVETT

---

## No. 915

740.5/7-2051: Telegram

*The Secretary of State to the United States Deputy Representative on the North Atlantic Council (Spofford), at London* [1]

/

SECRET WASHINGTON, July 20, 1951—2 p. m.

Todep 40. 1. In order be able provide rapidly mil supplies to Yugo at such time Yugo required and wld be prepared receive overt mil assistance, US undertook earlier this year special stockpiling program with MDAP funds appropriated for FY 1951 in amt of (FYI) $77.5 million. On June 28 fol visit this country of Gen Popovic Yugo Army Chief of Staff Yugo Amb presented Secy formal request for mil supply aid. [2] We are now preparing make immed deliveries to Yugo from this stockpile under auth of sec 408 (c) of MDAA. While these funds have been already expended or obligated, before deliveries can be made to Yugo the Pres must find that provision of mil assistance to Yugo will contribute to preservation of peace and security of No Atl area and is vital to US security. Finding by Pres must be preceded by consultation with other NATO members as well as by Congressional consultation.

2. Consultation with NATO countries also required on related problem further use MDAP funds for gen econ aid to Yugo. In

[1] Drafted by Gannett and cleared with Knight, Bonbright, Matthews, Vigderman of L/E, Kaufman of ECA, Bell of S/ISA, and Dziuban of Defense. Repeated to the other NATO capitals.

[2] A copy of the Yugoslav note is in file 768.5/6-2851.

order maintain flow of US econ assistance to Yugo pending adoption proposed MSA for FY 1952, we contemplate extending immed under sec 408 (c) of MDAA interim econ assistance, amounting $25–30 million from MDAP funds, as first installment to total US econ aid to Yugo during FY 1952. MDAP funds are available under gen Cong res appropriating funds through July 31, 1951 to continue US Govt activities. It is contemplated Cong will pass further continuing resolutions until appropriations made MSA.

3. Fol procedure contained in Todep 312 of Mar 31 [*21*] (rptd other posts) [3] and in order create written record showing consultation, it is desired that you provide each dep with *aide-mémoire* which shld read substantially as fols:

"The agreed minute contained in D–D (51) 29 [4] refers to the question of giving mil support to the Yugo Govt in advance of any open attack, either from Sov Russia or from the satellite states, as well as to the provision of econ assistance to Yugo.

In consequence of the continued rapid increase in the armaments and mil forces of the satellite states, and of the request which the US Govt recd on June 28 from the Yugo Govt for aid in strengthening Yugo's defenses by providing mil equipment, the US Govt is contemplating providing immed mil equipment to Yugo on grant basis. It is intended that this assistance will help Yugo to maintain its independence and will serve to promote important strategic and security objectives of the member govts of NATO.

US Govt is also contemplating the immed provision to Yugo Govt of additional econ assistance intended to fin the importation of materials and services required if Yugo econ is not to risk serious deterioration with resulting weakening of that country's capacity to resist aggression in the threatening internatl situation. This additional economic assistance will comprise a portion of the United States contribution to the aid program described by the US, UK and Fr Deputies in their statement to CD July blank. [5]

US Govt wld appreciate confirmation that Govt of blank continues to believe that immed increased ability of Yugo to defend itself will contribute to preservation of peace and security of NA area, bearing in mind direct importance to NA area of strategic location of Yugo and serious effect on security of NA area resulting from inability of Yugo Govt to obtain mil as well as other equipment and supplies it requires in order to provide for the defense of its territory."

You shld further remind Deputies in this connection of your observations to them reported para 4 Depto 52. [6] Also shld explain

---

[3] Document 879.

[4] Transmitted to the Department of State in telegram Depto 457 from London, Document 840.

[5] This is a reference to the aid program formula contained in the Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia, Document 906.

[6] Not printed.

this will not affect directly amts intended for other countries in US assistance programs. If Deputies cannot give response of their govts immed, we request that their govts reply individually through our missions in their countries directly to us at earliest possible moment to reach us preferably not later than July 27.

ACHESON

---

## No. 916

768.00/7-2451: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, July 24, 1951—noon.

104. During two-hour conference with Tito at Split yesterday, Senator McMahon [2] emphasized US determination to stop Soviet aggression and to aid others willing defend themselves.

As regards difference between US and Yugoslav political systems, Senator said US had no desire to press its own political institutions on others. Nevertheless, there were certain basic universal human rights, including notably freedom of religion, which were common desire all humanity and of particular concern to American people. Speaking frankly he wished to let Tito know that 30 million Catholics in US could not remain indifferent to continued imprisonment of Stepinac.

Tito replied to first point by saying his current visit to Montenegro and Bosnia had given him clearest evidence of determination of Yugoslavs to defend their independence and liberty. As re Stepinac, Tito recalled recent Yugoslav offer to let him go abroad which Vatican refused. Tito requested Senator's help in persuading Vatican to accept Yugoslavs offer. Senator thought acceptance would be admission of guilt. Tito said Pope cld make Stepinac cardinal which wld certainly not indicate admission of guilt. Senator then referred to recent release of Orthodox Bishop Nastic for residence in monastery inside Yugoslavia and asked whether Stepinac cld be granted similar privilege. Tito said he was ready to grant this.

*Comment:* Foregoing represents distinct progress in Stepinac case since previous Yugoslav Govt position has been that under no circumstances cld Stepinac be released for residence inside Yugoslavia.

---

[1] Repeated to Paris, London, Moscow, and Rome.

[2] Senator Brien McMahon was in Yugoslavia to obtain information concerning the Yugoslav Emergency Relief Assistance program.

Major part of discussion concerned Stepinac and remaining conversation covered subjects already reported. [3] Meeting was cordial throughout. Senator handled discussion with tact and astuteness, and meeting was useful for both sides. Others present were Deputy Foreign Minister Mates, Embassy Counselor Richard Allen whom I took for presentation to Tito, FSO Horace Smith and myself.

Tito has not regained his weight but otherwise showed complete recovery from recent illness.

ALLEN

[3] Presumably a reference to telegram 108 from Belgrade, July 24, which reported on a statement handed to the press by Senator McMahon concerning his talk with Tito. (033.1100-McM/7-2451)

## No. 917

868.00/8-151: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

SECRET WASHINGTON, August 1, 1951—5 p.m.

121. Principles and mechanism fourth country approaches. Ref Deptel 497 to London, rptd Paris 491, Belgrade 79. [2] Ref Embtel 489 from Paris, rptd London 122 (not sent Belgrade). [3]

Order establish clear understanding this exercise, following outlines our views:

1) *Coordination with Yugos:* Yugos shld make initial approach all instances. When clearly evident Yugo approach is not succeeding participating govts shld make supporting approach. Prior Yugo approaches, participating govts shld have reached understanding with Yugos various aspects approach problem particularly special points requiring stress each individual country and timing approaches. Suggest Sept 30 target date completion initial approaches all countries.

2) *Major points of emphasis for participating govts back-stopping Yugo initial approaches.*

[1] Drafted by D. Smith and cleared with Gorlitz, Rawson of EE and Van Dyke of ECA. Repeated to Paris and London.

[2] Telegram 497 reported that the Department of State was developing a program for approaching fourth countries, meaning countries other than the United States, the United Kingdom, and France, on the question of economic aid to Yugoslavia. In order to expedite this program, the Department recommended that the United States assume responsibility for approaching Austria, Germany, and Italy; that the United Kingdom deal with Belgium, Egypt, Argentina, and Sweden; and that France contact the Netherlands and Switzerland. (868.00/7-2051)

[3] Not printed.

a) NATO Countries: Polit and mil importance Yugo to West and need stabilize Yugo economy. Also importance attached maintenance Yugo as evidenced by recent NATO resolution on econ assistance.

b) Non-NATO countries: Econ aspects. Shld indicate coop all Yugo creditors necessary bring order into Yugo econ situation and that such coop will in long run improve (a) creditors econ stake Yugo, (b) chances ultimate repayment all debts, and (c) trade opportunities with Yugo.

3) *Types assistance expected:* Assistance shld consist any or all of three forms: grant aid (realize assistance this type probably negligible); debt payment postponement; supply assistance.

a) Re grant aid. Overall objective secure maximum contribution possible. At minimum desirable aim cover Yugo current trade deficit with country approached.

b) Re debt payment postponement. All debt payments, including interest, with fixed payments dates, swings, overdrafts, and compensation payments shld be postponed or alternately covered thru grant assistance.

c) Supply assistance. View short supply many commodities all fourth countries shld provide priority assistance. This particularly important view current critical state Yugo economy.

Draft presentation each fourth country shld include amt and type all debts plus present and proposed repayment schedule, importance of Yugo trade, and estimate what assistance fourth countries able or appear likely contribute. [4]

ACHESON

---

[4] Once agreement with the general principles outlined in this telegram was received from Belgrade, Paris, and London, the Department of State recommended that joint discussions with Yugoslavia begin concerning fourth country approaches. It also suggested in telegram 147 to Belgrade, August 8, that Belgrade serve as the center for tripartite exchanges of view on the details of approaching individual countries. (868.00/8-651)

## No. 918

*Editorial Note*

At the 56th meeting of the North Atlantic Council Deputies in London on July 16, a resolution on economic aid to Yugoslavia was presented to the Council by the Deputies of the United States, the United Kingdom, and France, and was tentatively adopted pending final approval by the Council Deputy from Canada. (Telegram Depto 65, July 17, 740.5/7-1751) The wording of the resolution was subsequently altered because of the concern of the Canadian Government that it would be committing itself to provide aid

rather than just committing itself to be receptive to such a request for aid from Yugoslavia. The final text of the resolution, circulated as NATO document D-D(51)189, recommended that if the member countries "are approached by the Yugoslav Government to extend economic assistance, they should cooperate to the fullest extent possible." This resolution was approved during the 60th meeting of the Council Deputies on August 1. (Telegram Depto 154 from London, August 2, 740.5/8-251)

## No. 919

768.5-MAP/8-351

*Memorandum of Conversation, by the Secretary of State* [1]

SECRET [WASHINGTON,] August 3, 1951.

Subject: US-Yugoslav relations

Participants: The Secretary
Vladimir Popovic, Yugoslav Ambassador
Mirko Bruner, First Secretary, Yugoslav Embassy
John C. Campbell, EE

Ambassador Popovic called at his request on his return from a month's visit to Yugoslavia. He said that he wished to convey the gratitude and appreciation of Marshal Tito and the Yugoslav Government for the understanding which the US Government had shown for Yugoslavia and for the general improvement in relations between the two countries. He said that this feeling of appreciation was felt by the people of Yugoslavia as well as the government.

*Military Assistance.* The Ambassador stated that his government was pleased with the reception which had been given to General Koca Popovic in the US. He stressed the importance of Yugoslavia's immediate need for military equipment, stating that they had trained men ready to fight in case of an attack who need only more and better weapons to fight with. He reiterated that Yugoslavia would resist aggression from any quarter. Referring to the technical military talks scheduled to begin on August 6, [2] he said that he hoped that the US look upon these talks from the political as well as the military viewpoint, having in mind Yugoslavia's present role in common efforts to maintain peace and deter aggression. I replied that we would certainly continue to keep in mind the political aspects in the forthcoming discussions and in dealing with the entire

[1] Drafted by Campbell.
[2] See the editorial note, *infra*.

problem of military assistance. On the latter subject I mentioned the Ambassador's note of June 28 requesting arms aid. [3] I said that the Department had been taking the necessary steps required by legislation, namely consultation with other Western governments and with certain committees of Congress, and that this was now nearly completed; consequently we would be in a position to reply to the Ambassador's note in the very near future. I added that we would very soon be approaching his government with proposals for a bilateral agreement covering the provision of arms assistance.

The Ambassador then referred to the fact that General Koca Popovic had stopped in London and Paris on his way home for talks with the British and French. He said that, while the reception had been wholly sympathetic, from the practical standpoint Yugoslavia would have to look principally to the US for military aid. He said that the French were prepared to provide only some captured German equipment which, while it might have a high value in terms of money, would be of limited value to Yugoslavia in terms of the actual needs for equipment. I said that we had been in touch with the British and French Governments on the general subject of arms aid for Yugoslavia, and that I should be glad to help in any appropriate way the conclusion of mutually satisfactory arrangements between those governments and Yugoslavia.

*Invitations to General Collins and Mr. Harriman.* Ambassador Popovic said that he had talked over with his government the question of the visit of General Collins to Yugoslavia and that the Yugoslav Government would be glad to have the General come. He asked that I inform General Collins accordingly. I said that I would do so and would ascertain whether the General wished to reply directly or through the Department. The Ambassador also stated that his government would welcome a visit by Mr. Averell Harriman to Yugoslavia, this possibility having been raised in discussions with Mr. Harriman at the time General Popovic was here. I replied that Mr. Harriman was now in Iran and might be there for some time, but that in any case I would communicate the invitation to him.

*Economic Aid.* The Ambassador said that the food and other US aid which Yugoslavia had received was greatly appreciated but added that very urgent needs still existed. He said that Yugoslavia would be unable to wait for the enactment of general foreign aid legislation here and urgently required some interim assistance in the neighborhood of $37 million. He said that this was necessary to prevent the closing of factories and disruption of the economy. He said that Yugoslavia also needed some help in regard to the pro-

[3] Not printed. (768.5/6-2851)

curement of certain items here with funds already made available. In this connection he cited steel as having involved particular difficulties. I said that on general questions of economic aid I regarded the situation as encouraging. I said that we were aware of Yugoslavia's need for interim aid and were seeing what could be done about it; on this the Department probably would be communicating with the Ambassador shortly. As to steel, I said that I was not fully acquainted with the situation but suggested that the Embassy present the facts fully to the Department, which was anxious to be helpful in this matter. On the subject of longer term aid I said that the situation also appeared to be encouraging. I mentioned that I had received some good reports from Belgrade in regard to discussions there with the British and French Embassies and with the Yugoslav Government laying down the lines of cooperation for the contemplated plan of economic assistance. I indicated also that economic aid to Yugoslavia was included in the mutual security program now before the Congress.

As he left the Ambassador repeated his expressions of appreciation for the understanding and the assistance given to his country by the US.

DEAN ACHESON

---

## No. 920

*Editorial Note*

Originating from a proposal initially made to Vladimir Velebit and later agreed upon during conversations with General Koca Popović during his visit to Washington in May and June, bilateral technical military talks were begun in Washington between military representatives of the United States and Yugoslavia on Monday, August 7. A military delegation from Yugoslavia, comprised of 15 members and headed by Major General Milo Kilibarda and Major General Miloš Šumonja, arrived in New York on August 4 and then proceeded to Washington where talks were begun at the Pentagon 3 days later with the United States delegation, led by Brigadier General George H. Olmsted. No record of these conversations has been found in Department of State files, but the results of these talks were included in the Report of the Department of Defense Joint MDAP Survey Mission for Yugoslavia, September 24. Documentation concerning the preparations for the arrival of the Yugoslav military delegation is in file 768.5811. The report is in file 768.5/10-1151.

## No. 921

ECA message files, FRC 53A278, Belgrade Telegram

*The Administrator for Economic Cooperation (Foster) to the ECA Mission in Yugoslavia* [1]

SECRET PRIORITY WASHINGTON, August 17, 1951—2 p.m.

Ecato 117. Subject—Interim aid. Reference—Ecato 110 rptd Paris Torep 5725, not rptd London. [2]

1. State consulted Congressional committees by let for Yugo aid this qtr. Expect publication within next few days Presidential notification his intent allocate to ECA up to $30 mil MDAP funds for additional econ assistance Yugo. [3]

2. Brit Emb here communicated to State today HM For Off concern over possibility unilateral US announcement of interim aid allotment prior tripartite agreement Belgrade total aid available to Yugos this qtr. State replied with substance of reftel and added our concern over urgency keep aid flowing during present critical period. [4]

3. Possible after Presidential notification for ECA/W to delay issuing allotment of funds pending tripartite agreement but this unwise because (a) urgency present needs Yugo, (b) necessity place forward contracts now, (c) quarter already half completed and Fr funds still not in sight, (d) Yugos expect and planning action on basis receive US funds soon.

4. As UK concern seems to be over size total aid this qtr, and not whether aid shld be extended now, willing to allot only portion of $30 mil to Yugo Govt at this time to cover highest priority PAs and to take Fr and Brit views into account when deciding amount and timing of further allotments this qtr.

5. In view shortness time for decisions required on allotment, request ur views on above soonest.

6. Also for our guidance in issuing PAs after making allotment require ur views soonest on order priority items and quantities on

---

[1] Drafted by T. Kaufmann and cleared with Stettner, Green, Katz, and Van Dyke. Repeated to Paris and London.

[2] Telegram Ecato 110 reported that the ECA estimated Yugoslavia's balance-of-payments deficit to be $50 million for the last half of 1951 and that 75 percent of the aid needed to cover this deficit should be made available in the third quarter of 1951. (ECA message files, FRC 53A278, Belgrade)

[3] Regarding the release of these funds for economic assistance to Yugoslavia, see Document 925.

[4] A memorandum of this conversation is in file 868.10/8–1651.

shopping list outlined Ecato 72 [5] and also ur advice on what other items might have high enough priority to be added.

FOSTER

[5] Not printed.

## No. 922

*Editorial Note*

In telegram 175 to Belgrade, August 17, the Department of State sent instructions to the Embassy concerning the negotiation of a bilateral military assistance agreement drafted with some allowances for the peculiarities of the Yugoslav situation. The Department judged that the only major point of substantive disagreement was likely to be over the status and size of the United States personnel assigned to Yugoslavia to implement the program. (768.5-MAP/8-1751) The text of the draft agreement was sent to Belgrade in telegram 176, August 17. (768.5-MAP/8-1751)

In response, Ambassador Allen stated that the draft was an excellent one and that the Department was correct in predicting disagreement over the United States military mission. In telegram 232 from Belgrade, August 23, Allen suggested that instead of creating a United States military mission the Department ought to consider creating a nucleus within the Embassy staff of service attachés to handle this work. (768.5-MAP/8-2351) The Department's two telegrams and Allen's response were the beginning of a voluminous correspondence over the drafting of the bilateral military assistance agreement, the bulk of which is not printed. Documentation concerning these negotiations is in file 768.5-MAP. No substantial progress was made on these negotiations until October when a compromise was finally reached; see telegram 458 to Belgrade, Document 933. Regarding the signing of this bilateral agreement, which took place in Belgrade on November 14, see Document 937.

## No. 923

ECA message files, FRC 53A278, Belgrade Telegram

*The Chief of the ECA Mission in Yugoslavia (Allen) to the Office of the United States Special Representative in Europe, at Paris* [1]

SECRET BELGRADE, August 21, 1951—11 a.m.

Torep 91. Subj—Yugo membership EPU, Triffin transferability proposal. In response Despres memo proposing series of currency transferability agrmts with Yugos Eur trading partners (ref Despres ltr to Triffin July 30 [2]), Kopcok discussed this proposal and EPU question in three hour mtg with Despres Aug 17. Kopcok's statements this mtg had obviously been deliberated and cleared at high level.

Main points: (1) Yugo Govt finds bilateralism costly and hampering trading system and seeks remedy. (2) Finds process of bilateral negot with Eur govts irksome and somewhat humiliating. (3) Fears Eur trading partners, if requested by Yugo Govt to enter into transferability agrmts of type proposed Despres memo, wld demand in return reduction in swing ceilings. (4) Is most eager join EPU, but does not wish plead for admission, and (5) cannot understand why purely tech difficulties cld obstruct Yugo Govt membership.

Despres replied: (1) We favor and want to facilitate Yugo Govt membership EPU, but have reluctantly concluded unwise press matter strongly for present. (2) Objections encountered have been partly substantive rather than merely tech (a) Yugo debtor and deficit status vis-à-vis EPU members; (b) differences in econ institutions which raise problems re Yugo participation in EPU trade liberalization program and in slowly developing functions managing board in coordination fiscal and wage-price policies of EPU members. (3) In our opinion (a) of primary importance; (b) only secondary and wld present no serious obstacle once some improvement had begun to be recorded in Yugo B/P. (4) If Yugo Govt interested we wld be willing undertake initial exploration of willingness EPU members to enter into transferability agrmts with Yugo Govt without reducing swing ceilings, so that Yugo Govt need enter negots only after EPU members had indicated to us their willingness grant transferability. (5) Feasibility this approach cannot be determined in advance, but Amer observer EPU thought it feasible. (6) We are not urging this approach on Yugo Govt but merely submit it for their consideration.

---

[1] Repeated to Washington as Toeca 93 which is the source text.

[2] Not found in Department of State files.

Kopcok expressed warm thanks for frank discussion this problem, said Yugo Govt wld consider subj further in light of info furnished and wld later request further discussion with us. His reluctance to consent to our sounding out EPU members re Triffin proposal apparently due partly to preference to EPU membership and partly to fear bilateral negots re transferability wld merge with and complicate impending debt negots.[3] OSR, ECA/W, and State pls comment.

ALLEN

[3] In telegram Toeca 115 from Belgrade, September 7, the Embassy reported that although the Yugoslav Government was originally hesitant and lukewarm in its attitude toward the question of joining the EPU, it finally decided that its advantages were sufficient to warrant departure from its general policy of nonparticipation in international organizations of exclusively Western membership. Although the government was disappointed when the problem of admission to the EPU seemed insolvable, it did indicate a willingness to explore the possibility of currency transferability arrangements with its European trading partners. (ECA message files, FRC 53A278, Belgrade)

## No. 924

768.5/8–2751: Telegram

*The Chargé in the United Kingdom (Holmes) to the Secretary of State* [1]

TOP SECRET PRIORITY LONDON, August 27, 1951—4 p.m.

1058. Personal for Pres and Secy from Harriman.[2] No dist except as directed by Secy's Office. I spent some six hours with Tito on Saturday Aug 25. At luncheon we had interesting roundtable talk and after lunch I had long talk with Tito personally. Amb Allen and Gen Landry were present and also Kardelj, Min of FonAffs, Kidric, Min for Econ Affs, Rankovic, Min of Interior, and Vilfan, Dep Min for FonAffs, who translated. Tito and Kidric outlined their priority requirements which all centered around mil equipment and raw materials and other industrial equipment to increase domestic mil production. I expressed our desire to be of assistance but underlined shortages which now exist. I pointed out

[1] Repeated to Moscow and Belgrade both eyes only for the Ambassador.

[2] In response to the invitation from Yugoslav Ambassador Popovic to visit Belgrade, offered during Popovic's conversation with Secretary of State Acheson on August 3 (see Document 919), W. Averell Harriman agreed to stop in Belgrade on his way back from Tehran where he was holding consultations with Prime Minister Mosadeq concerning the British-Iranian oil controversy. In addition to his visit to Yugoslavia on August 25–26, Harriman also traveled to Paris and London before returning to Washington.

however that at a later date required equipment might be in better supply.

We then had a gen talk about Kremlin intentions. Tito expressed his opinion that Stalin did not intend to become involved in a gen war but that real danger existed from miscalculation of Western reaction, particularly that of US, to local aggression by Sovs. He had of course directly in mind aggression by satellites against Yugo. . . . He and his associates showed determination to do everything within their power to increase their mil strength as the first requirement to "survival". They were concerned however over the balance of payments problem and the ability to obtain the needed imports to sustain the mil effort.

. . . He said he cld not understand why so many people in the West continued to inquire whether his break with Stalin was irrevocable. He was obviously in good health and vigor and gave the impression of confidence and determination. I will report on my conversation more fully upon my return.

At my press conf in Bled Sunday, after explaining in detail that there was no special significance in my visit I said that we had discussed a broad range of subjects, including Kremlin objectives and the manner in which war cld be prevented; that we agreed the policy of our 2 countries in strengthening their mil forces was the surest way to prevent war and that one of the principal dangers came from a possible miscalculation by the Kremlin of the reaction of West Eur countries and especially that of the US to local aggression inspired by Sovs. I said that Tito's recent statement that "an attack on Yugoslavia cld not be localized" came up in our talk. In answer to a question of a correspondent I replied, "All I can say is, I did not dispute it". I further told the press that "Tito expressed his hope that the relations between our 2 countries wld develop, with increased cooperation and understanding of our mutual interests. He expressed respect for Pres Truman and the wisdom and foresightedness of his policies in dealing with the worldwide threat from the Kremlin."

My other statements to the press were of a gen nature. [3] [Harriman.]

HOLMES

[3] A copy of the verbatim transcript of Harriman's press conference in Bled, Yugoslavia, on August 26, is in file 611.68/9-1451.

## No. 925

*Editorial Note*

On August 13 the Acting Secretary of State, James E. Webb, sent a letter to Tom Connally and James P. Richards, Chairmen of the Senate Foreign Relations Committee and House Foreign Affairs Committee, respectively, in which he informed them of the President's recommendation that $30 million be extended to Yugoslavia for economic assistance and that this amount be advanced from funds available on the basis of joint resolutions which provided for the operation of the government through August 31, pending approval of the proposed Mutual Security Program. It was stated that this amount was part of and not in addition to the $60 million estimated for Yugoslavia during fiscal year 1952 under the Mutual Security Program. Copies of these letters are in file 868.00-FA/8-1351.

On August 27 the Yugoslav Ambassador was presented a letter informing him of the allotment of $29,800,000 in economic assistance for fiscal year 1952; the text of this letter was transmitted to Belgrade in telegram Ecato 132, August 28. (ECA message files, FRC 53A278, Belgrade) The following day the ECA issued a press release which announced its allotment for Yugoslavia and stated that this allotment was made in line with the London agreement under which the United States, the United Kingdom, and France agreed to supply Yugoslavia $50 million in aid during the last six months of 1951. The ECA press release is extensively quoted in the Wireless Bulletin, No. 209, August 28, 1951, page 6. Similar information was released to the press in Belgrade at the same time as reported in telegram 269, from Belgrade, August 28. (768.5-MAP/8-2851) Copies of the *aide-mémoire* handed to the Yugolav Government by the United States, the United Kingdom, and France on August 27 and the responding Yugoslav *aide-mémoire* of August 31 were transmitted in despatch 231 from Belgrade, September 6. (868.10/9-651)

## No. 926

768.5/9-551

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Reinhardt)*

TOP SECRET [WASHINGTON,] September 5, 1951.

Subject: Proposed Bilateral Discussions Regarding Military Support for Yugoslavia.

Participants: Deputy Under Secretary, Mr. H. Freeman Matthews
General Omar Bradley, Chairman, JCS
Mr. Bonbright, EUR
Mr. Reinhardt, EE

General Bradley came in to discuss the confused situation that had developed with regard to the bilateral staff talks which Admiral Carney has been instructed to carry on with the United Kingdom, France and Italy on the subject of military support for Yugoslavia. This matter is the subject of EE memorandum of August 30 [1] and memorandum of conversation between Mr. Bonbright and Mr. Burrows of the British Embassy of the same date. [1]

After a discussion of the problem of the bilateral talks General Bradley indicated that the JCS would probably proceed along the following line: (1) not push the Yugoslav paper which had been submitted to the Standing Group (NATO) and to which the British were objecting; (2) resume as soon as possible the politico-military talks (Bradley–Franks); and (3) endeavor to have Admiral Carney proceed if possible with the bilateral talks as planned, but on the original limited agenda, not the very broad agenda which he had recently submitted to the British in London. In reply to his question General Bradley was told that this procedure would be acceptable to the Department. Mr. Matthews handed General Bradley a letter which the Department was addressing to Mr. Frank Nash in this matter, requesting the Defense Department's views as to the best manner in which to proceed. [2]

---

[1] Not printed.

[2] The letter explained the problem concerning the proposed bilateral talks with the British and asked for the Department of Defense views as to the manner in which to proceed. (768.5/8-2851) On October 9, Secretary of Defense Lovett sent a letter to the Department of State which had an attachment from the Joint Chiefs of Staff concerning these bilateral talks with the British. The JCS memorandum, dated September 19, recommended that the Department of State explain to the British that plans developed on a bilateral basis should be considered only as an interim emergency measure since NATO would ultimately provide the appropriate military support when its capabilities permitted that General Eisenhower would direct the development of emergency plans evolving from these bilateral talks, and that Gen-

*Continued*

In connection with General West's recent conversation with Marshal Tito, General Bradley stated that it was quite clear that this had been done without General Eisenhower's knowledge, but he was not sure whether or not General Irwin had had any advance notice. [3] General Gruenther was in communication with the JCS on this subject.

With respect to the British desire to keep any quadripartite military planning outside of NATO, General Bradley asked whether it was our feeling this could be done without incurring the displeasure of the other NATO members. He was told that it was the Department's view for the time being at least that it would be possible.

General Bradley said that any visit which General Collins might make to Yugoslavia in response to Tito's invitation would be outside the framework of these other talks and would have essentially an information-gathering purpose.

---

eral Eisenhower and Admiral Carney would act as military representatives of the United States. The JCS repeated their desire that the bilateral talks proceed as soon as possible. (768.5/10-951)

[3] No record of this conversation has been found in Department of State files.

## No. 927

320/9-2651

*Memorandum of Conversation, by the Assistant Secretary of State for United Nations Affairs (Hickerson)* [1]

SECRET [WASHINGTON,] September 26, 1951.

Subject: Action which Yugoslavia Proposes to Take at Forthcoming General Assembly Session [2]

Participants: The Honorable Vladimir Popovic, Yugoslav Ambassador
Dr. Mirko Bruner, First Secretary, Yugoslav Embassy
Mr. John D. Hickerson, Assistant Secretary (UNA)
Mr. Ward P. Allen, EUR
Mr. David H. Popper, UNP

---

[1] Drafted by Allen on October 9.

[2] The Sixth Session of the U.N. General Assembly was scheduled to meet in Paris beginning November 6.

Pursuant to remarks which he had made in a conversation with the Secretary on September 25, [3] the Yugoslav Ambassador called on Mr. Hickerson to apprise us of three steps which the Yugoslav Government has in mind in connection with the forthcoming General Assembly.

*1. Agenda Item on Soviet Aggression Against Yugoslavia*

The Ambassador said that his government desired to put on the agenda an item relating to the aggressive policies of the USSR and the satellites against Yugoslavia. Under the item the Yugoslavs would seek Assembly condemnation of the Soviet aggressive policy, including frontier violations, hostile speeches and statements, the treatment of Yugoslav minorities in satellite states, the treatment of Yugoslav diplomats, the economic warfare of the Soviet bloc—in fact, the whole range of hostile Soviet activities vis-à-vis Yugoslavia. The Ambassador stated that the form in which the item would be presented was not yet clear, and that his government would welcome our view on this question as well as on the matter of whether this was an appropriate time to introduce such an item. It appeared that the Yugoslav objective would be an Assembly resolution of condemnation calling upon the Soviets to halt their aggressive procedures. In answer to my questions, the Ambassador indicated that the Yugoslav attitude on possible use of the Peace Observation Commission or other fact-finding machinery was not yet fixed and might depend on the results of consultations with friendly states. He took the line that a Yugoslav initiative of the type proposed would be useful regardless of whether or not a Soviet peace offensive developed at the General Assembly.

Although Mr. Popovic pressed for an indication that I regarded the idea favorably, I told him that I would prefer not to give him an offhand opinion but would consult urgently with my colleagues in the Department and give him more definite word within a few days.

*2. Declaration on Rights and Duties of States*

Mr. Popovic said that his government was planning to bring before the General Assembly once again its draft declaration on the rights and duties of states, which was last considered in the Assembly in 1949. His government felt that adoption of such a declaration would be useful in the general interest, particularly since it would lay down moral obligations upon states which do not recognize the independence of others. In this regard such a declaration

[3] The memorandum of conversation of September 25 which records the meeting between Secretary Acheson and Ambassador Popović is in file 601.6811/9-2551. The conversation dealt largely with the question of Trieste.

would be effective as a means of mobilizing opposition to Soviet policies. As regards the precise terms of such a declaration, the Yugoslavs were ready to consider any observations other governments might have on particular points in the existing draft.

I reviewed for the Ambassador the difficulties we had had in accepting any formulation of a draft declaration in the past. I pointed out that we feared the result of adopting a declaration would merely be to restrain law-abiding states without affecting Soviet policies. We had not been able to work out any language which could not be evaded in one way or another. As an example of the difficulties inherent in the adoption of such a declaration, I referred to reports carried in the press on September 23 to the effect that certain *émigré* groups in this country were alarmed at the code of offenses against the peace and security of mankind, being drafted by the International Law Commission. I recalled that these groups had felt that, although directed against subversive activities in general, some of the provisions of the draft might if observed operate to prevent steps designed to liberate the Soviet satellite states.

The Ambassador regretted that this was our view. He doubted that the considerations I had raised would have much importance alongside the real benefit to be gained from a declaration which would highlight the injustice of Soviet treatment of the Baltic peoples and the peoples of the satellite states. It was left that our experts would give further examination to the current status of the draft declaration, and that I would inform the Ambassador of our attitude in greater detail in the near future.

*3. Yugoslav Candidacy for a General Assembly Vice-Presidency*

The Ambassador informed me of the Yugoslav candidacy. I pointed out that we would consider it sympathetically, but that we could not give an answer until we had been able to firm up our views on the composition of the entire General Committee. I indicated that it might be some time before we could do this, since we did not yet have much information on the individuals who would head the various delegations in the General Assembly.

*4. Successor to Yugoslavia on the Security Council*

I took the occasion to inform the Ambassador that we opposed the election of a Soviet satellite to succeed Yugoslavia on the Security Council. He said that they did, too. He had no information on whom Yugoslavia might support for the seat, stating that his government had not been approached by any candidate. He will seek to ascertain his government's views.

JOHN D. HICKERSON

## No. 928

320/10-851

*Memorandum of Conversation, by the Special Assistant on United Nations Affairs in the Bureau of European Affairs (Allen)*

SECRET [WASHINGTON,] October 8, 1951.

Subject: Possible Yugoslav Case

Participants: Dr. Bruner, Yugoslav Embassy
Mr. Ward P. Allen—EUR

Dr. Bruner called at his request to state that the Yugoslav Government has definitely decided to submit a separate agenda item on its case against the USSR, and to give us their views on the suggestions we had previously made to them on this matter. The item is to be titled "Threats and Hostile Acts of the Government of the USSR and Eastern European Countries Against the Independence and Sovereignty of the FPRY". The documentation and evidence presented will be along the line of the Yugoslav White Book, to which will be added all the information accumulated since its publication in order to bring the case up to date. The Yugoslav Government has accepted our guidance [1] and assures that for their part they will do their utmost to keep discussion as dispassionate, sober, unprovocative, and objective as possible. They intend to seek by all possible means to force the USSR to give concrete answers to concrete questions, and to respond specifically to specific evidence against them.

The Yugoslav Government desires that the GA pass a resolution along the following lines: "The GA, having heard the discussion on the relationships of the USSR and other Eastern European countries, through the FPRY, expresses its serious concern regarding the existing situation and its possible continuation, and accordingly invites the countries concerned to take concrete measures which would make possible the improvement of their relations by removing the causes of the present situation." These measures should include:

---

[1] In response to Ambassador Popović's request for Department of State opinion concerning a possible Yugoslav resolution in the General Assembly (memorandum of conversation, *supra*), officials of the Offices of Eastern European Affairs and the Legal Adviser prepared an informal memorandum making suggestions as to specific Assembly action which would prevent the Yugoslavs from making technical errors and thereby not receiving broad assent. This memorandum was given to Ambassador Popović by Assistant Secretary Hickerson during their conversation on October 1; a record of this meeting, including a copy of the informal memorandum, is in file 320/10-151.

1) The creation of mixed commissions for the examination of frontier incidents;
2) The discontinuance of aggressive, war-inciting propaganda (this is not intended to exclude the continuation of legitimate criticism of different regimes);
3) The observance of the provisions of the Peace Treaty (i.e., limitation of Hungarian and Bulgarian armaments);
4) Full respect for all international obligations. The GA invites the countries concerned to regulate and maintain their international relations in the spirit of international cooperation in accordance with the principles of the Charter of the United Nations.

Regarding the POC, Dr. Bruner reported that the Yugoslav stand had not changed. They are willing to accept the POC provided the satellite countries will do so. They do not desire to accept it unilaterally and promote it in Yugoslavia unless it goes behind the iron curtain. They are prepared to make this statement in the GA and point out that unless it is received on both sides of the frontier it cannot fulfill its purposes. They are more favorably disposed, although they have not reached a final decision, to our alternative suggestion of a special committee to examine the evidence submitted or a subcommittee of the Political Committee to report back to this session. They will let us know their attitude shortly.

As to the time of submission of the item, there was in any event no time to submit it before the October 6 deadline. However, they are inclined to think that it might be better to wait until very shortly before the GA convenes. They fear that if the USSR knows about it in detail too far in advance this will give the USSR an opportunity to put diplomatic pressure of one sort or another on such delegations as the Indians and others who might be reluctant in order to seek to prevent strong GA action. They might for example threaten to leave the UN or pretend to be highly provoked if the matter is taken up and action is taken by the GA.

Dr. Bruner asked for our reactions to the foregoing, which I promised shortly. I did not seek to discuss them in detail with him except to express our keen disappointment that they had not seen fit to accept the POC even tho the satellites did not. (I think it would be useful for the reason that this step is desirable from the Yugoslav point of view to have it pointed out again and in some detail to the Yugoslavs). Dr. Bruner asked whether his information was correct that the US intended to submit a separate case on violation of human rights in the Soviet orbit. I stated that we were considering such a case and had consulted with the UK, French, and Canadians on it; that they were not inclined to take a favorable view. We are still, however, considering the advisability of such a move. In any event, we appreciate the relationship between that possible case and the Yugoslav case, and even if we should

decide not to go ahead we would make full use of the material in the course of the discussion on the Yugoslav case. Dr. Bruner asked to be advised if we decide to go ahead with a separate case.

Dr. Bruner took occasion to ask what initiative if any the US was planning to take in the general field of economic development. He pointed out the tremendous political effect on the smaller countries of US initiative in this field which forestalls the impression that the US is so heavily concentrating on rearmament that it is no longer interested in the economic development of undeveloped countries. I stated that we were conscious of this fact and were working very carefully on the economic aspects of the GA agenda and would be happy to discuss these problems with them at a later date.

---

## No. 929

768.5-MAP/10-851: Telegram

*The Secretary of State to the Embassy in Yugoslavia* [1]

SECRET WASHINGTON, October 9, 1951—7:18 p.m.
PRIORITY NIACT

374. Re mil aid bilateral (Embtel 436 Oct 8 [2]) Dept believes that in interview with Tito you shld stand firm on our fundamental objectives and stress importance US Govt attaches to fol genl points which are at issue judging from Mates-Beam exchanges (Embtel 429 Oct 6 [3])

A. US Govt has no desire intrude into internal affairs YuGovt, which fact is amply demonstrated by record US assistance provided Yugo to date. US Govt is fully mindful Yugo susceptibilities, particularly after experience with Sov mil "advisers" before 1948. However, in seeking together with other countries of free world to provide for individual and common defense, US is not in position to draw upon its resources for this purpose and make equipment available to receiving countries without also taking at least minimum steps which its experience in such matters has consistently demonstrated must be taken in order ensure its maximum effective use.

---

[1] Drafted by Gannett and cleared with Higgs and Colonel Dziuban of Defense. Repeated to Stockholm for General Collins.

[2] Telegram 436 informed the Department of State that Ambassador Allen had requested an interview with Tito on October 10 to discuss the number and duties of the U.S. military group provided for in the mutual assistance agreement. (768.5-MAP/10-851)

[3] Telegram 429 reported a conversation between Mates and Beam concerning disagreements over various parts of the text of the proposed mutual assistance agreement. (768.5-MAP/10-651)

B. US Govt in reviewing recommendations contained in Popovic-Eddleman memo [4] came to conclusion that, in as much as nr personnel required for new functions out of proportion size of customary Attaché staffs, functions differ and arrangement wld present difficult internal admin problems, undesirable attempt handle aid program through augmented MilAtt office. Essential point is that, regardless what aid group is called, Yugos shld recognize that because of nature its functions its operations must be conducted apart from affairs office MilAtt and in more different channels from those customarily available MilAtts.

In view special Yugo polit situation US has taken particular care to determine (a) absolute minimum requirements for mil personnel and (b) functions which it regards as essential in order assure that proposed assistance is used most effectively; on these points US proposals were designed to meet special Yugo situation. Represent considerable modification gen US position vis-à-vis countries receiving mil aid.

C. As to initial size and composition group, 15 officers will be divided 9 Army (including genl officer as group chief), 4 Air, 2 Navy. US invites further discussion in order that Yugos may see actual need this number. Regret Yugo Govt has not seen fit avail itself of opportunity observe Paris MAAG, which we feel wld clarify situation. Also unacceptable to US to have mil aid unit strength and status frozen by bilateral agreement in manner desired by Yugos, although we are willing to agree informally on nrs and make increases only with Yugo approval. In picture expanding US mil aid programs elsewhere, we cld not accept such a precedent. Furthermore, fixing of strength is not in keeping with tenor Popovic-Eddleman conversations which envisaged initial aid group arrangements as temporary measures.

D. US sees no need specify mil aid unit functions in written agreement, particularly since in interest both govts maintain necessary flexibility in cooperative endeavor to achieve agreed objectives set forth in bilateral. So far as carry out MS act is concerned, US must of course be judge of functions and adequacy of arrangements needed. Functions involving contact with Yugo staff personnel and mil establishments wld be regulated through arrangements with Yugo staff as outlined to Yugos by Emb. Functions listed in Beam letter of Sept 4 to Mates, submitted FonOff in order help obviate future misunderstandings, are those which US considers appropriate and necessary. Several internal functions included in order indicate reasons prompting US view re size personnel requirements. If Yugo proposal is that group's consultations with reps of MinDef on contents aid program be held only annually, then there is serious misunderstanding continuous advisory role of US mil personnel, particularly as regards planning contents program and priorities of deliveries, as well as regarding necessity for coordination mil and econ aid programs and for observation in the field of end use and maintenance of US aid, not merely on proving ground.

---

[4] See footnote 2, Document 908.

II. Re specific proposals by Mates contained in Embtel 429 Oct 6:

Para I(1)—Request you press our original proposal (see para I(B) above.)

Para I(2)—Yugo proposal acceptable with insertion of "of the" fol "agreed number".

Para I(3)—You may assure Yugos special application wld be made and mutual approval obtained in each case.

Para II—(see para D above).

III. Request you also raise points set out in Deptel 361 Oct 5. [5] Mutual Security Act as sent to White House Oct 8 for signature identical with conf report (copy pouched Oct 4 [6]) except for deletion sec 501 (e) 3 re membership of MS Director on Board Directors of Exim Bank.

IV. Dept will advise re handling this matter in connection Collins visit fol indication results ur interview with Tito.

ACHESON

---

[5] Telegram 361 instructed the Embassy in Belgrade, in light of the expected passage of the Mutual Security Act by the Congress within the next few days, to attempt to secure several changes in the text of the draft mutual assistance agreement in order to fulfill the eligibility requirements which were effective 90 days after the law was enacted. (768.5-MAP/9-2151)

[6] Not printed.

## No. 930

868.10/10-1151

*Memorandum of Telephone Conversation, by the Director of the Office of Financial and Development Policy (Stinebower)*

CONFIDENTIAL [WASHINGTON,] October 11, 1951.

Subject: Yugoslav Loans

Participants: Mr. John Hooker, Alternate Executive Director, IBRD
Mr. Stinebower, OFD

Mr. Hooker telephoned to say that the Executive Board of the IBRD had approved the loan to Yugoslavia ($28,000,000). Not having heard from us, he did not raise the question of the requirements for Yugoslav consultation with the Bank about new borrowing. I informed him that after consultation with Mr. Thorp, we decided we did not care to raise any disagreement with the Bank's proposed exchanges of letters.

Mr. Hooker went on to say that of his own volition however he had indicated there would have to be some flexibility in the $200,000,000 ceiling for Yugoslav borrowing, and that Mr. Garner

had agreed the Bank would have to take a new look at the question if the Yugoslav Government needed to borrow beyond that limit.

Mr. Hooker further reported that the UK, while voting for this loan, took a strong position that we should be able to see some progress toward the utilization of these loans before any more loans to Yugoslavia are made. Depending upon what the UK Executive Director meant by those words, it is possible that there will be some difficulties ahead if, as is possible, the Yugoslavs come in for the next slice of credit about next January before there would be much opportunity to put the present loan to work. Mr. Hooker agreed however that we had plenty of time to deal with this question. [1]

[1] Concerning the IBRD loan, which carried an interest rate of 4½ percent with amortization payments beginning in April 1955, see the IBRD's *Seventh Annual Report to the Board of Governors, 1951–1952* (Washington, 1952), pp. 25–26.

## No. 931

768.5-MAP/10-1151: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET PRIORITY BELGRADE, October 11, 1951—5 p.m.

462. Discussion with Tito today re size and duties of mil advisory group was inconclusive but believe some progress made. Beam and Mates participated.

After detailing points made in Deptel 374 October 9, [2] I commented that no matter how carefully agrmt on these subjects might be drafted, satisfactory fulfilment depended on elimination of suspicions and determination both sides to make agreement work. I said our understanding of Yugo's special situation was shown by our willingness agree to mission only 1/3 size of groups in other countries with comparable aid program. If Yugo Govt had taken advantage of our invitation to observe operation of MAAG in other countries, I was confident Yugos would have better understanding of purpose of such groups.

Tito gave lengthy exposé of special Yugo situation emphasizing strength of Yugo army lay not in number of divisions but in its revolutionary zeal, unified in determination to defend country's independence from any foreign domination. He said presence of Amer officers going about visiting barracks, depots and installa-

[1] Repeated to Rome for General Collins.
[2] Document 929.

tions would undermine very basics for "high Yugo army morale", and declared while he was anxious obtain much needed Amer equip, he would forgo all aid rather than run any risk whatever of letting impression be created among his troops that US had assumed role USSR previously held here.

I said I thought functions and intentions of US group had been seriously misunderstood since purpose was solely to concern itself with proper utilization Amer supplies. Beam outlined specific functions of groups, pointing out officers would be kept busy if they carried out planning, coordination and supply functions alone.

Tito said he thought approach to problem had perhaps been too rigid. He conceded that written agreement re size and functions of group was not necessary and way should be left open for flexibility. He thought Yugo Govt itself might well suggest considerably larger group once program was well underway, particularly if strategic discussions began, as he hoped they would.

At conclusion Tito said several new thoughts had developed during our conversation and that he would immed discuss subject with his mil advisers and let us hear from him perhaps later today or tomorrow. I referred to General Collins' hope that agreement could be reached before he arrived and urged early solution.

ALLEN

---

## No. 932

768.5/10-2051: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, October 20, 1951—noon.

526. Mrs. Vilfan who acted as translator during Collins-Djilas conv (Embtel 512, October 18 [2]) tells me Djilas was "much bolder"

---

[1] Repeated for information to Paris and London.

[2] Telegram 512 summarized, *inter alia*, a conversation between General Collins and Djilas which Ambassador Allen described as "intense but friendly" during which Djilas advanced the current Yugoslav party line that American support for Yugoslavia was based too much on Yugoslav defiance of the Soviet Union and not enough on the social and industrial progress which Yugoslavia was trying to achieve internally. In response, General Collins explained the necessity for Yugoslavia to gain public support in the United States in order to justify Congressional aid covering a broader range of needs. (711.5868/10-1851) Two other brief telegraphic reports on Collins' talks (telegram 489, October 15, and telegram 90, October 22) and Collins' memorandum to the JCS on the trip, November 13, were not cleared for publication when this volume went to press. (768.5/10-1551; Paris Embassy files, lot 58F53, 350 Yugoslavia; Department of Defense files, respectively)

*Continued*

than she would have dared to be in talking with Collins. According to her Djilas admitted USSR had brought word "communism" into such ill repute that Yugo Govts greatest propaganda job was to convince rest of world communism cld be divorced from aggression and thereby elicit west support from Yugo experiment.

Djilas implication was that Yugo Govt was determined convince world of this distinction and make world accept it. Zilliacus is clearly urging Yugos to hold line on this point. I am inclined believe, however, that more and more Yugo leaders, perhaps including Djilas himself, are gradually coming to realize neither communism nor any other form of totalitarian regime will ever achieve admiration or support in west world. I have expressed frank opinion to several Yugo leaders they can never make word "communism" smell sweet in US and shld face realities of life.

ALLEN

---

For further reports on the Collins trip and U.S. relations with Yugoslavia in the fall of 1951, see U.S. House of Representatives, Committee on Foreign Affairs, *Selected Executive Session Hearings of the Committee, 1951-56*, vol. XV, European Problems (Washington, 1980), pp. 107 ff. and 131 ff., and U.S. Senate, Committee on Foreign Relations, *Mutual Security Act of 1952, Hearings* . . . (Washington, 1952), pp. 23, 384-385, and 804-805.

## No. 933

768.5-MAP/10-2051: Telegram

*The Acting Secretary of State to the Embassy in Yugoslavia* [1]

SECRET WASHINGTON, October 30, 1951—7:26 p.m.

458. Toisa.

1. FYI Gen Collins in commenting on Embtels 519 [2] and 521 [3] Oct 19 and 20 informed Def that during talks with "Amb Allen, Tito, and Popovic there was no agreement to change Amer position other than to call chief of mission Armed Services MilAtt" and recommended Def stand except as regards chief's title on its previous

---

[1] Drafted by Gannett and cleared with Higgs, Gray of L/E, and Colonel Dziuban of Defense.

[2] Telegram 519 summarized Beam's conversation with Mates on October 18 concerning the bilateral military assistance agreement. While Mates noted that the Yugoslav Government was ready to sign the draft agreement, several points of disagreement remained such as the title of the chief of the military mission and the size of the group. (768.5-MAP/10-1951)

[3] Telegram 521 transmitted the text of a letter from Mates which stated that the Yugoslav Government was ready to sign the bilateral military assistance agreement and that the question of the size of the U.S. military group could be settled when General Harmony, who was appointed to head the U.S. mission to Belgrade, arrived in Belgrade. (768.5-MAP/10-2051)

position, e.g., prior clarification re observation end use and maintenance our aid and re initial size of aid group.

2. Re Embtel 521, Dept and Def are not prepared conclude bilateral until Yugos agree to initial staff of 15 officers plus 15 supporting personnel and that group will be able to observe end use and maintenance of our aid. Suggest you reply to Mates in fol sense: "With ref your letter blank date (Embtel 521) which I duly communicated to my govt I have been instructed inform you that while my govt regrets necessity for further delay in concluding bilateral agreement it is prepared to accede to your suggestion that few remaining unagreed points be worked out in Belgrade after arrival senior rep US Armed Forces, in connection with which you indicated Brig Gen Harmony wld be most acceptable your govt. It is also agreeable, however, that the present discussions between the Emb and the FonOff be continued to the end that if possible these matters may be resolved and the agreement concluded in advance of Brig Gen Harmony's arrival in Belgrade. The unagreed points are the number of assistants initially required by Gen Harmony and acknowledgement that it will be possible for his staff to observe end use and maintenance of assistance furnished Yugo under bilateral agreement. Both of these points were mentioned in greater detail in my let to you Oct 11 last.

I am informed that in accordance with foregoing Gen Harmony is being instructed proceed to Belgrade as soon as possible." [4]

3. Believe desirable at same time orally disabuse Yugos of apparent impression (para 2 Embtel 519) that we desire observe end use and maintenance our aid merely in order submit satisfactory reports to Cong.

4. Def advises that Gen Harmony cannot arrive Belgrade before third week Nov.

5. Shld appropriate opportunity arise during review with Yugos of bilateral text, request you seek their agreement to inclusion fol minor changes which, however, not of sufficient importance justify raising them otherwise.

(a) Art I para 2—insert "internatl" before "peace and security" in order accord better with purposes of MS Act;

(b) Art IV para 2—amend to read ". . . equipment imported into or exported from its territory in connection with this Agreement or any similar agreement between the Govt of the USA and the govt of any other country receiving mil assistance". These changes de-

---

[4] In telegram 595 from Belgrade, November 2, Allen informed the Department of State that the letter proposed here was delivered to the Yugoslav Foreign Ministry. When it was delivered personally by Allen, he told the Yugoslav officials that he regretted that the bilateral agreement could not be signed until these matters were settled. (768.5-MAP/11-251)

sirable in order clarify intent and make para consistent with language rest of agreement.

6. Def has strong preference for aid group chief title which wld clearly indicate Harmony's duties will not encompass regular MilAtt functions. Para II Embtel 519 suggests Yugos may not regard title as agreed. Shld title in para 1 above be open to variation, suggest if you see no objection proposing "Mil Assistance Attaché" or "Emb Adviser for Mil Assistance". Def is prepared if necessary, however, accept "Armed Service Attaché" or "Armed Services MilAtt".

WEBB

---

## No. 934

768.5-MAP/10-3051

*The Acting Secretary of State to the President* [1]

SECRET [WASHINGTON,] October 30, 1951.

MEMORANDUM FOR THE PRESIDENT

Subject: Military and Economic Aid to Yugoslavia under the Mutual Security Act of 1951

As directed by NSC 18/6, [2] which you approved on March 9, 1951, steps have been taken by appropriate agencies of the Government to provide grant military assistance to Yugoslavia. An initial program totaling $77.5 million consisting primarily of ordnance items intended to fill deficiencies in the present Yugoslav military establishment is now being prepared for shipment; some of the items contained in this program are now ready for delivery. This matériel will be transferred under Section 101 (a) (1) of the Mutual Security Act of 1951.

Economic assistance will also be provided Yugoslavia under Section 101 (a) (2), in accordance with policy established in NSC 18/6 and with the agreed US-British-French program [3] to help Yugoslavia cover its current balance of payments deficit for the period up to June 30, 1952.

In order to provide Yugoslavia military and economic aid under subparagraphs (1) and (2), respectively, of Section 101 (a), however,

---

[1] A covering memorandum by Ohly to the Secretary of State requested his signature for this memorandum.

[2] Not cleared for publication at the time this volume went to press.

[3] This is a reference to the Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia, Document 906.

you must determine that Yugoslavia is of direct importance to the defense of the North Atlantic area and that Yugoslavia's increased ability to defend itself is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States. You are also required to inform the House Committee on Foreign Affairs and Senate Committee on Foreign Relations and the House and Senate Committees on the Armed Services of these determinations.

It is recommended that you make these determinations.

For your convenience, there is attached a memorandum giving further information concerning this problem. [4] There is also attached a suggested letter which contains the required determinations and constitutes the necessary notification to the Chairman of each of the four Congressional committees. [5]

JAMES E. WEBB

[4] Not printed.

[5] Not printed. On November 7, President Truman sent identical letters to Richard B. Russell, James P. Richards, Tom Connally, and Carl Vinson, Chairmen of the Senate Committee on Armed Services, the House Committee on Foreign Affairs, the Senate Committee on Foreign Relations, and the House Committee on Armed Services, respectively. For text of these letters, released to the press by the White House on November 7, see Department of State *Bulletin*, November 19, 1951, p. 826.

## No. 935

768.5-MAP/11-551: Telegram

*The Chargé in Yugoslavia (Beam) to the Acting Secretary of State* [1]

SECRET PRIORITY BELGRADE, November 5, 1951—6 p.m.

608. Toisa.

1. Saw Vilfan Saturday afternoon at his request re mil assistance bilateral (Embtel 595 [2]). He said he understood Gen Collins had discussed only in general terms US position on outstanding points and that Mates' explanation as given Embtel 519 [3] was Yugo impression of talks. Re Amb's approach Nov 2 (Embtel 595) fol were Yugo Govt answers:

(a) It agreed to minimum mil assistance staff of 15 officers plus 15 supporting personnel;

(b) It agreed title aid group chief shld be "mil assistance attaché";

[1] Repeated to Paris for Ambassador Allen who was there to attend an ECA Chiefs of Mission Conference during the first week of November.

[2] Not printed, but see footnote 4, Document 933.

[3] Not printed, but see footnote 2, *ibid.*

(c) It accepted amendments text proposed para 5, Deptel 458.

Vilfan said there still seemed disagreement on question observation end-use and maintenance US material. I asked him what Yugo conception was of these functions following talks with Gen Collins. Vilfan replied Yugo Govt envisaged info wld be obtained by US inspection on "proving grounds" and by Yugo reports. I said this completely inacceptable since it represented no advance on original Mates' proposal (Embtel 429 [5]). I continued that whatever else might be required it wld be essential that US officers observe use equipment in hands Yugo troops and in the field. Vilfan said that while such formalities might be accorded, Yugo Govt cld not grant this as matter a priori right. He stated Yugos had bitter experience with Russians in this respect, that this was beginning of break with Russians and that all top Yugo officers felt strongly on this matter. Vilfan said at this time he was under instrs to make no further offer.

2. I related above to MA Col Condon who was much surprised since his informal talks with Yugo officers concerning status and functions US mil group seemed to be satisfactory. Saturday evening he saw Dep Chief Staff Manola who said FonOff statement contrary to his understanding. He said there seemed misapprehension concerning "proving grounds" which Yugo army did not have in US sense and he envisaged US officers would of course be able observe use US equipment in Yugo field exercises. He fully understood purpose US inspection with view furnishing satisfactory info and advice concerning proper and effective use US equipment and he did not contemplate difficulties wld arise. Manola was willing to pledge assurance that observation and use US material wld be carried out in cooperative manner.

3. I reported above back to Vilfan this morning mentioning misunderstanding which had arisen. I said if I was able to get FonOff confirmation and pass statements to Condon this wld represent great advance although I cld not be sure whether explanation completely satisfactory US Govt since we were not informed in precise detail of US requirements. Later in morning Vilfan called me back to say he confirmed Manola's understanding with Condon and that this represented official Yugo Govt position. He reiterated his agreement to points 1 (a), (b), (c) above.

4. Emb including Condon feels above is sufficiently satisfactory agreement on outstanding points in advance arrival Harmony who we believe will be able work out detailed implementation. Emb's

---

[4] Document 933.

[5] Not printed, but see footnote 3, Document 929.

opinion which we think shared by Amb it wld be inadvisable at this time press Yugos further for hard and fast detailed agreement on end-use check which even if obtained wld render them surly and in mood obstruct concessions won by further bargaining prior Harmony's arrival. We shld be able test Yugos spirit cooperativeness early stage operation of agreement and if it is not forthcoming we cld have immediate recourse through withholding deliveries. Recommend Emb be authorized prepare agreement in final form for signature by Amb fol his return Nov 12. [6]

BEAM

[6] In telegram 499 to Belgrade, November 7, the Department of State authorized the Embassy to prepare the final text of the agreement in light of the "clarifications" noted in this telegram. (768.5-MAP/11-551) Regarding the formal signing of the agreement, see Document 937.

## No. 936

868.00-FA/11-551: Telegram

*The Acting Secretary of State to the Embassy in France* [1]

SECRET WASHINGTON, November 5, 1951—7:23 p.m.

2697. For Amb Allen pass OSR for Bissell, Porter, Stone, Cooley. Fol is joint State/ECA msg. Question of special ECA mission in Yugo has been under active consideration here especially following passage Mutual Security Act under which economic aid to be provided Yugo as to other European countries pursuant to provisions of Economic Cooperation Act of 1948. Article 8 of draft Bilateral sent Torep A-2047 Nov 3 rptd Belgrade Ecato A-10 [2] for your comments, included for illustrative purposes, fols similar provisions bilaterals concluded with all other recipients aid under Economic Cooperation Act and conforms to pattern outlined sec 109 that Act.

Dept and ECA have been discussing subj establishing separate economic mission at this time, with view to reaching decision which will best serve over-all US objectives and at same time conform to legislative requirements. These discussions not completed and no final conclusions reached.

From polit standpoint Dept believes account must be taken of various special considerations flowing from character Yugo aid pro-

[1] Drafted by Campbell and cleared with Barbour, EVR, and ECA. Repeated to Belgrade.

[2] Airgram Torep A-2047 transmitted the text of the proposed draft of the "Economic Cooperation Agreement between the United States of America and the Federal People's Republic of Yugoslavia" and requested comments prior to discussions of the draft with Yugoslavia. (868.00-FA/11-351)

gram and nature relations with Yugo, in which polit aspects heavily color econ questions, such as (1) possible jeopardizing of agreement on and smooth establishment of mil advisory group, (2) Yugo susceptibility to, and probable Cominform exploitation of, apparent formal connection with Marshall Plan, and (3) need of centering in Amb as focal point all important contacts with Yugo Govt on economic as on other questions. These factors militate against changing existing organizational arrangements.

On other hand legislation explicitly calls for economic mission in recipient country. While requirement could still be met by various alternative patterns including present arrangement with Amb named ECA Mission Chief and Richard Allen in charge of day to day operations, desirable not to interpret provision more broadly than absolutely necessary. Furthermore, ECA feels passage Mutual Security Act and impending furnishing of economic aid thereunder represent logical point for estab regular ECA (MSA) mission in Yugo as means effecting best possible administration of aid program, unless strong reasons to contrary. ECA also notes that earlier economic aid was furnished under MDA act whereas henceforth will be provided under MS Act pursuant to Econ Coop Act provisions. Other countries with strong nationalistic and "anti-colonial" feeling such as Burma and Indonesia have agreed to accept ECA missions, although both refused permit estab US mil assistance missions. Moreover Yugo Govt itself having indicated desire join EPU not rigidly opposed all forms association with Western economic organizations. ECA points out that separate economic mission would be coordinated with Emb under leadership of Amb who wld continue be responsible for assuring coordinated US position and for such general direction as may be required to make program work.

Understand this topic to be discussed at Mission Chiefs' Conference [3] by George Allen, Richard Allen, Bissell, Porter. Would appreciate statement their views.

WEBB

[3] This is a reference to the ECA Chiefs of Mission Conference which was held in Paris during the first week of November.

## No. 937

*Editorial Note*

On November 9, Bonbright handed a note to Yugoslav Ambassador Popović which formally notified the Yugoslav Government that

"the Government of the United States of America has given careful consideration to Yugoslavia's needs in the light of the situation created by present international tensions and now wishes to inform you of its desire to furnish your Government with equipment, materials, services and other assistance to help meet these needs." (768.5/6-2851) To implement this program, President Tito and Ambassador Allen signed a bilateral military assistance agreement in Belgrade on November 14 which resulted from negotiations covering a period of over three months. For text of this agreement, see Department of State *Bulletin*, November 26, 1951, pages 863-864; 2 UST 2254; TIAS 2349; or 174 UNTS 201.

---

## No. 938

868.00/11-1951

*Memorandum of Conversation, by the Director of the Office of Eastern European Affairs (Barbour)* [1]

CONFIDENTIAL [WASHINGTON,] November 19, 1951.

Subject: Yugoslav Request for Economic Assistance

Participants: Vladimir Popovic, Yugoslav Ambassador
Milenko Filipovic, Minister Counselor Yugoslav Embassy
Walworth Barbour, Director EE
John C. Campbell, EE

Ambassador Popovic called at his request in order to present two *aides-mémoire* (attached) with supporting data, one the request for $82,626,000 to cover the trade deficit of the period January-July 1952 and the other $42,700,000 representing a supplementary program of economic requirements for the armament industry and army supplies. [2] The Ambassador noted that these requirements had already been presented by the Yugoslav Government to the US, UK and French representatives in Belgrade. Mr. Filipovic, in commenting on the requests, referred to the earlier conversations which he had had with representatives of the Department, of ECA and of the Department of Defense on the subject of common use items. He emphasized that the items on the list now being submitted were urgently needed and speedy action was necessary in order that the orders could be placed and deliveries not delayed. He said that the common use imports were even more urgent than the

---

[1] Drafted by Campbell.

[2] Neither printed.

items on the list for general economic assistance in the first half of 1952. The Ambassador spoke of the great political importance of Yugoslav acquisition of these materials and expressed the hope that the Department would do everything possible to assist in meeting Yugoslavia's requirements. He asked with what US agency the Embassy should follow-up the request for common use items, mentioning ECA and Defense.

I said that I was aware of Yugoslavia's situation and that the Department would see that the Yugoslav requests were given full and careful consideration. I said also that we would look into the question of how the requests for common use items would be handled within the US Government. Mr. Campbell mentioned the fact that the question of Yugoslavia's incremental needs for common use items in the period up to July 1, 1952 had been considered by the US, UK and French Governments in connection with the general program of economic assistance, and that it probably would be dealt with in that context. I said that we were glad to have the data which the Yugoslav Government had provided in support of its requests and that we would lose no time in giving them careful study.

The Ambassador then brought up the subject of the Majdanpek Copper Project, expressing a certain degree of irritation that they had been given no decision on this matter since his conversation with Mr. Bonbright some weeks ago.[3] He wondered whether I could tell him why the matter was being held up and whether any particular agency was blocking it, as he believed that ECA had already expressed itself favorably. I said that I was not acquainted with the background of this subject but would find out as soon as possible whether there was anything we could tell the Embassy about it. Mr. Campbell said that he understood the engineers' report was still under consideration by various US agencies and that he did not believe that any decision had yet been taken. The Ambassador said that his Government regarded this project as of particular importance not only in itself but also because it could serve as a model for the exploitation of other materials in Yugoslavia such as aluminum and lead. He asked specifically for the Department's own view on the Majdanpek Project. We said that we were unable to give him any Departmental view on the subject.

WALWORTH BARBOUR

---

[3]This is a reference to Yugoslav Government's request for financial assistance for a program to develop the Majdenpek copper mines; documentation concerning these conversations regarding economic assistance is in file 868.00.

## No. 939

868.052/11-2951: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, November 29, 1951—2 p.m.

717. During interviews with Tito, both recent congressional groups [2] here referred to current press reports of peasant unrest and indications of renewed drive by Yugo Govt for further collectivization. Tito admitted that collectivization program had not gone well but said chief reason for failure and dissatisfaction of farmers had been due to incompetent leadership and mismanagement by directors of collective farms and administrators of farm program. He declared that there wld be no forced collectivization and that program wld have to succeed on its demonstrated merits. He said his govt was satisfied that considerable extent of collectivization was necessary to meet Yugo farm conditions and that few years of continued effort wld prove collectives superior productivity.

In response to questions, Tito asserted that only purpose of Yugo Govt's agricultural policy was to increase production. He said private farmers cld be persuaded to join collectives only by demonstrated productive superiority of collective method and that this means of persuasion wld be used.

Mrs. Kelly asked whether Tito wld allow Americans to give tractors, for example, direct to private Yugo farmers. Tito expressed surprise at question and answered, "of course. We wld welcome any help to increase production".

I then pointed out that US was concerned with Yugo agricultural policy only insofar as we were asked to pay for it. Referring to obvious fact that practically every good farmer preferred to own his own land and resisted collectivization, I said I was concerned lest such farmers might change their present friendly attitude towards US if our aid were used exclusively for machinery and supplies for collective program. Tito replied that all American aid so far had been for specific projects, and that these projects had not been for purpose of promoting collectivization. He did not envisage any change in this respect. He repeated assurance that sole purpose of

---

[1] Repeated to Paris, London, and Rome.

[2] Two Congressional delegations visited Yugoslavia during November 1951; the first, which included Congressmen William A. Barrett, Clarence G. Burton, and Tom B. Fugate, met with Tito on November 24, while the second, representing the Foreign Affairs Study Group of the House Foreign Affairs Committee comprised of Congressmen Clement J. Zablocki (Chairman) and Edna F. Kelly, held discussions with Tito on November 29. For a summary of these talks, see telegram 719 from Belgrade, *infra*.

agricultural policy was to increase production and that any measures leading to this end, whether through aid to private collective farms, wld be used and that both wld undoubtedly be employed.

*Comment:* Tito's statements shld obviously not be taken at face value. Future will demonstrate their sincerity. At same time, they are significant since Yugo authorities can usually be held to policy statements by Tito whenever specific occasions for applying them arise.

Chief political question remains whether present regime will succeed in eliminating private landowners in order to proletarianize rural population, I have no doubt present thinking of Politburo is along this line, but I am not certain regime can succeed in this effort. Persuasion and demonstration may prove to be only method regime can employ successfully.

ALLEN

---

## No. 940

868.413/11-2951: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

SECRET BELGRADE, November 29, 1951—2 p.m.

719. During conversation with Tito, Congressmen Zablocki and Kelly pressed Tito vigorously on question of Stepinac, [2] asking why they had not been allowed to visit him. Tito said Stepinac release from prison had already been decided upon and that consequently visit to him by US Congressmen at this moment wld be obviously inappropriate. In response to Zablocki questions, Tito said Stepinac wld be released within a month and wld be allowed to act as priest if he wished but not as bishop or archbishop.

While Zablocki appeared to be satisfied with outcome, Mrs. Kelly told me subsequently she wld reserve any judgement or statement until she had seen Holy Father in Rome.

Tito made no reference to correspondence with Pearson and I had no intimation of it whatever until it was made public six hours

---

[1] Repeated to Rome, Paris, and London.

[2] During a meeting with Barrett, Burton, and Fugate on November 24, Tito stated that Archbishop Stepinac's release would take place the moment he became eligible for probationary release under Yugoslav law and that he would be free to reside inside Yugoslavia as any other citizen although he could not resume his ecclesiastic functions. When Ambassador Allen was told that Tito's statement was confidential, he suggested to Deputy Foreign Minister Vilfan that this news could not be kept secret for long and that therefore the Yugoslav Government should make a public statement on the subject promptly. (Telegram 700 from Belgrade, November 24, 868.413/11-2451)

later. [3] Vilfan told me Yugo Govt was in somewhat awkward position since Tito's statement to Congressmen (and presumably to Pearson) was in anticipation of enactment of special law in Yugo Parliament not yet announced. Under present law Stepinac apparently shld serve at least three more years to be eligible for parole. Tito overlooked or neglected technicality of special enactment.

Tito's decision to make known decision through letter to Pearson was evidently due to his wish to avoid appearance of acting under Congressional pressure. I feel confident, however, that continual representations by various Congressmen have been primarily responsible for release.

Msgr. Oddi, chargé of Nunciature here, tells me Vatican will not be satisfied in any way with terms of Stepinac release. He called on me yesterday to express surprise that Congressman Barrett had informed press he was highly pleased. I assured Oddi that I had in no way prompted Barrett's statement and had myself been surprised at it.

My view is that US Congressmen who have pressed Tito on Stepinac are entitled to take credit for release if they wish and that Tito will not be seriously embarrassed if they claim some credit in public statements. He dislikes to admit acting under pressure but at same time such statement will tend to get Tito off hook with Serbs. [4]

ALLEN

---

[3] This correspondence presumably led to Drew Pearson's column concerning the release of Archbishop Stepinac which appeared, for example, in the *Washington Post* of November 30.

[4] Archbishop Stepinac was released from prison on December 5. For the official communiqué issued at the time of Stepinac's release and his statement made the following day, see Folliot, *Documents on International Affairs, 1951*, pp. 391–392.

---

## No. 941

768.5-MSP/12-351

*The Acting Secretary of State to the Acting Administrator for Economic Cooperation (Bissell)* [1]

CONFIDENTIAL WASHINGTON, December 3, 1951.

MY DEAR MR. BISSELL: I am writing to confirm to you the Department of State's understanding of the organizational arrangements

---

[1] According to a covering memorandum from Bonbright to Webb, which was attached to a draft copy of this letter and was dated November 29, this letter was based on joint recommendations made by Allen and Bissell when they were both in Paris. (868.00R/12-351)

to be put into effect by the Department and the Economic Cooperation Administration (Mutual Security Administration) in connection with the administration, in Yugoslavia, of the United States program of economic assistance to that country.

The arrangements covering administration of the assistance made available to Yugoslavia have in my view been well adapted to serve our policy objectives in Yugoslavia and have proved a fine example of cooperation between the agencies. In view of the enactment of the Mutual Security Act of 1951 and the President's notification to the chairmen of certain committees of Congress on November 7, 1951,[2] that economic assistance will be furnished to Yugoslavia as a result of his determination that the increased ability of Yugoslavia to defend itself is important to the preservation of the peace and security of the North Atlantic area and to the security of the United States, it is apparent that measures must be taken to clarify arrangements for appropriate United States representation in Yugoslavia for the administration of the contemplated program of economic assistance under this legislation.

The Department understands that this program, which under Section 101(a) of the Mutual Security Act of 1951 is to be carried out pursuant to the provisions of the Economic Cooperation Act of 1948, will be administered by the Economic Cooperation Administration (Mutual Security Administration). In regard to the economic mission in the recipient country provided for under Section 109 of the Economic Cooperation Act of 1948, reference is made to recent discussions between representatives of the Department and of the Economic Cooperation Administration (Mutual Security Administration) and in particular to the recommendations concurred in by yourself, Ambassador George V. Allen, Mr. Paul R. Porter and Mr. Richard F. Allen, which are set forth in telegram Repto 5649 from Paris to ECA Washington dated November 10, 1951.[3] The Department of State agrees with those recommendations.

The Department of State agrees that Mr. Richard F. Allen should be appointed Chief of the ECA/MSA Mission in Belgrade

---

[2] See the memorandum by Webb to the President, Document 934.

[3] Telegram Repto 5649 summarized the agreement reached in Paris and recommended changes in the wording of the bilateral agreement. It also pointed out that in light of Yugoslav sensitivity resulting from unhappy experiences with numerous autonomous Russian missions, there should be no reference to the establishment of a new economic mission in the text of the bilateral agreement although as a matter of fact and of law there would be a new mission in Belgrade. (ECA message files, FRC 53A278, Paris)

The text of the "Economic Cooperation Agreement Between the United States of America and the Federal People's Republic of Yugoslavia," signed by Ambassador Allen and Foreign Minister Kardelj in Belgrade on January 8, 1952, was transmitted to the Department of State, along with certified copies in both English and Serbo-Croatian, in despatch 659 from Belgrade, January 11, 1952. (868.00-R/1-1152)

and be paid by the ECA (MSA). He will continue to serve simultaneously as Counselor of Embassy for Economic Affairs. I assume that the Department and the Ambassador will be consulted by the Economic Cooperation Administration (Mutual Security Administration) in regard to the size and character of the staff which will assist Mr. Allen in the administration of the program, and that no personnel will be sent unless agreed by the Ambassador. It is understood that Ambassador Allen, in furnishing appropriate notification to the Yugoslav Government of the personnel of the economic assistance staff, will also notify that Government of the appointment and responsibilities of Mr. Richard F. Allen as Economic Counselor and Director of the Assistance Staff.

In view of special political considerations which require close and continuing direction by the Ambassador of all aspects of United States policy in Yugoslavia, including the programs of military and economic assistance, it is considered necessary that the ECA/MSA unit, in its relations with the Yugoslav authorities, should be regarded as a part of the Embassy. Accordingly, the article on United States personnel for administration of the economic aid program, to be included in the bilateral agreement to be concluded with the Yugoslav Government in accordance with the relevant United States legislation, should follow the recommendations made in telegram Repto 5649 from Paris referred to above.

This deviation from the standard phraseology used in all of the previous economic aid agreements with European countries is not intended, however, to alter the substance of the usual Mission-Embassy relationship. Both as a matter of practice and by law, the Chief of the ECA (MSA) Mission is appointed by and receives his instructions from the Director for Mutual Security in MSA matters. The economic assistance staff will, within the United States Government, constitute a regular ECA (MSA) Mission, and its activities and those of the Embassy will be coordinated under the leadership of the Ambassador. It is understood that ECA (MSA), in making any future appointments of Chiefs of this ECA (MSA) Mission, will consult with the Department of State in the usual manner.

I should be glad to have your confirmation that the proposals set forth in this letter have the approval of the Economic Cooperation Administration (Mutual Security Administration) and may be considered henceforward as jointly determined by the Economic Cooperation Administration (Mutual Security Administration) and the Department of State. We understand that detailed arrangements for staffing, administrative support, etc. will be discussed in Paris by Mr. Fite of OSR with Mr. Graham Martin of the Embassy with

a view to their submitting proposals to Washington and to Belgrade for consideration. [4]

Sincerely yours,

JAMES E. WEBB

[4] In a letter to Webb on December 12, Bissell expressed his confirmation of this agreement. He noted that copies of this exchange would be sent to Belgrade and to the OSR in Paris to guide their future actions in this matter. (868.00-R/12-1251) As Bissell indicated, this correspondence was quoted verbatim in an airgram, Torep A-2143 of December 13, to Paris and repeated to Belgrade. (768.5-MSP/12-1351)

## No. 942

641.68/12-1251: Telegram

*The Ambassador in Yugoslavia (Allen) to the Secretary of State* [1]

CONFIDENTIAL BELGRADE, December 12, 1951—noon.

779. Brit Amb and his staff have remarked to this Emb re some cooling UK-Yugo relations last few weeks. They say Yugos have been brusque as well as obstructive in their dealings here and have also subjected staff to increased surveillance. Brit Amb inclined to attribute this to Yugo reaction to UK Govt change, possibly Churchill's remark concerning recreating spirit war-time three power conferences. [2]

This Emb believes above as well as rankling memories Churchill Stalin 50–50 deal on Yugo, may be partly responsible but following are other likely factors: (1) Sir Francis Mudie's critical attitude in tridel econ discussions toward Yugo request for capital investment financing, (2) decline Brit prestige Middle East, (3) replacement Peake by new Amb Mallet who is cooler and less colorful personality although able representative. Conversely Yugo also annoyed by Peake's reported monarchical enthusiasm in Greece.

It is possible Brit may be inclined exaggerate alleged Yugo slights due to hypersensitivity resulting from secondary role Brit being forced to play in international politics.

ALLEN

[1] Repeated to London.

[2] Regarding Churchill's proposals for a three-power meeting, see Document 449.

## No. 943

868.00-FA/12-1551

*The Officer in Charge of Balkan Affairs (Campbell) to George W. Lawson, Jr., of the Bureau of the Budget*

SECRET [WASHINGTON,] December 15, 1951.

MY DEAR MR. LAWSON: The following statement may be of assistance to you in your judgment on the question of the amount of United States aid needed for Yugoslavia in fiscal year 1953.

The principal objectives of United States policy toward Yugoslavia, as approved by the National Security Council, are to exploit the Tito-Stalin break and to maintain the strategic and political advantages which the United States gains from Yugoslavia's continued independence. Our policies have accordingly been directed toward strengthening Yugoslavia's capacity to resist Cominform pressures and possible aggression. United States economic aid in fiscal year 1951 was directed largely toward preventing a critical food shortage and assisting Yugoslavia to meet its balance of payments deficit. United States economic aid in fiscal year 1952, along with that of the United Kingdom and France, was directed primarily toward meeting the balance of payments deficit, including the extraordinary addition to the deficit resulting from the import of common-use items needed for the armed forces and the defense industries. This additional deficit was only very roughly estimated by the tripartite London report of June 1951 [1] as a part of the total foreign aid requirement of $125 million. From the information now available it is clear that it will be substantially higher than the $50 million then estimated if the Yugoslav defense effort is to proceed at the level desired in terms of United States strategic and political objectives. We do not wish that level to drop in fiscal year 1953 for lack of outside aid.

It is necessary that the Yugoslav military establishment continue to be built up, as a countermeasure to the expansion of the satellite armies by the USSR and the resulting increased threat to Yugoslavia and the general Western defense position in that area, not only by the acquisition of military end-items through MDAP but also through Yugoslavia's own defense program. It is important to the United States that the Yugoslav defense effort be sustained in fiscal year 1953 by outside aid for the importation of common-use items, over and above the aid required to cover the normal trade deficit, in a volume at least as great as in fiscal year 1952. Accord-

[1] This is a reference to the Final Report of the Tripartite Official Conversations Concerning Economic Aid to Yugoslavia, Document 906.

ingly, the Department of State believes that provision should be made for sufficient United States economic aid in fiscal year 1953 to cover these special requirements. The originally estimated $55 million total for all purposes would prove insufficient to meet these requirements and at the same time, in line with our existing policy objectives, to prevent deterioration of the civilian economy. Taking into consideration the possibility that the United Kingdom and France will not be able to bear 35% of the aid program as they are this year, the Department regards the estimate of $100 million submitted by ECA as realistic. [2]

Sincerely yours,

JOHN C. CAMPBELL

---

[2] When Lawson wrote a letter to W. Averell Harriman on December 17 concerning this subject, Merchant responded with a letter to Lawson (through Ohly) on December 19, the text of which is a slightly more detailed version of the letter printed here. The conclusion of Merchant's letter was the same in its support of the $100 million estimate submitted by the ECA. (768.5–MSP/12–1751)

# INDEX

# INDEX


Abbott, George M., 1472*n*, 1479-1482
Abrams, Frank W., 1557-1558, 1560, 1572
Acheson, Dean:
  Austria, 1012, 1029-1030, 1035-1036, 1245, 1251
    Occupation costs, 1010-1011, 1015-1016, 1020-1021, 1069-1070, 1072, 1078, 1090-1091
    Rearmament, 1189-1190, 1193-1194
    State Treaty, 1112, 1114-1115, 1123*n*, 1127-1130, 1137-1138, 1155-1156, 1174-1177, 1182
  Belgium, 271-280
  Czechoslovakia, 1338-1339, 1343, 1348-1354, 1356-1357, 1366, 1381-1382, 1386-1393, 1404-1411, 1417-1419, 1435-1436
  Eastern Europe, 1239-1241, 1290-1292
    Civil aviation policies, 1391-1393, 1405-1407
    U.S. nationals, treatment of, 1261-1262, 1276-1277, 1338-1339, 1452-1453
    World Peace Council, 1246-1250, 1253-1257, 1273-1275, 1293-1294
  France, 294-296, 315*n*, 333-336, 352, 368-378 387-388, 406-408, 442, 445-447, 452-453, 1210-1211
  Germany, Federal Republic of, 120-121, 125-129, 270, 325-326, 337
  Hungary, 1446-1449, 1452-1453, 1466-1468, 1471-1475, 1481*n*, 1482*n*
  Iceland, 485, 502
  Ireland, 518-521, 530-531
  Italy, 550-561, 569-573, 587-589, 600-602, 611-612, 673-674, 681-683, 704, 710-717, 740
  McMahon-Ribicoff resolution, 1560-1564, 1609, 1635-1636
  Poland, 1506
  Schuman Plan, 104, 107*n*, 114, 120-121, 167
  Soviet Union, 318-319, 327, 337, 975*n*, 1212-1213, 1255-1257, 1473-1474, 1572-1573, 1587-1589, 1611-1612, 1614, 1622, 1648-1649, 1663-1664, 1674*n*, 1671-1673
    Foreign policy of, 1587-1588, 1597-1601, 1606-1607, 1614*n*, 1615-1616
  Spain, 773-776, 791-796, 813, 819-820, 828-829, 835, 838, 848-850, 859-861
Acheson, Dean—Continued
  Trieste, Free Territory of, 204-205, 215-216, 228-231, 234-236, 240-243, 258, 678-680, 702-703, 1035-1036, 1112
  United Kingdom, 125-129, 888-889, 900-903, 915, 925-927, 944-945, 971, 979, 995-997
  Western Europe, 17-18, 21-22, 36-37, 41-42, 125-129, 135-136, 268-273, 377, 685-687, 705, 1531-1532
  Yugoslavia, 1693-1694, 1731-1734, 1779-1780, 1814-1816, 1827-1829
    U.S. economic assistance, 1681-1683, 1694-1697, 1761*n*, 1762, 1768-1769, 1773-1775, 1778-1779, 1834-1835
    U.S. military assistance, 1677, 1695, 1703, 1710-1711, 1761*n*, 1763-1764, 1791-1792, 1831-1833, 1851-1853
Adenauer, Konrad, 46-47, 90-92, 93*n*, 96, 97*n*, 98, 102-103, 109, 113-114, 122, 130, 132, 134, 137-138, 155, 166, 271, 626
Aiken, Frank, 33*n*, 527-531, 532*n*, 537*n*, 541
Airey, Terrance S., 206-207, 216, 222*n*, 229, 253
Albania, 732, 1231, 1236-1237, 1268, 1318-1326, 1780
Allan, Willard, 1312-1314
Allen, Edgar P., 1035*n*, 1101, 1108*n*, 1110*n*, 1144*n*, 1155*n*, 1164, 1169, 1183*n*, 1193*n*, 1251*n*,
Allen, George V., 638, 1701-1702, 1711-1712, 1718, 1856, 1870
  Yugoslavia:
    Cominform attack, possibility of, 1711, 1728-1729, 1740-1741
    Economic situation, 1638*n*, 1684*n*, 1708-1709, 1745-1746, 1782*n*, 1841-1842, 1869
    Political situation, 1733, 1737-1738, 1794, 1801-1802, 1819-1820, 1865-1866
    Roman Catholic Church, relations with, 1833-1834, 1866-1867
    U.S. economic assistance, 1679, 1700
    U.S. military assistance, 1697-1698, 1790-1791, 1840, 1854-1855, 1857*n*, 1863
Allen, Richard F., 1802, 1868-1869

Allen, Ward P., 1849-1851
Alphand, Herve, 297, 305, 359*n*
American Federation of Labor (AF of L), 1242-1243
*Amerika* magazine, 1539, 1540*n*
Amtorg Trading Corporation, 1633-1644
Anderson, Daniel V., 822-825, 835-837, 862-867
Anderson, Eugenie, 1252
Andrews, George D., 13-17, 25-32, 64-76, 80-84, 117-120
Aron, A., 98-100, 293
Associated States. *See* France; Indochina.
Atomic Energy Program, 983, 988
Atomic warfare, 269-270, 318, 1623-1624
Attlee, Clement R., 221, 291, 299, 301, 303, 648, 779, 888, 894, 897-898, 902, 905, 912*n*, 919, 943, 973-975, 1532, 1714
Auriol, Vincent, 107, 292, 348-349, 354, 359*n*, 362-368, 378, 380, 382, 396, 408-409, 648, 1709
Austin, Warren R., 268, 1307
Australia, 181-182, 711, 909, 1304*n*,
Austria, 150-151, 174, 1046-1047, 1136-1137, 1245, 1250-1251, 1626
  Allied ministers, ambassador status of, 1079, 1132-1133
  Economic situation, 20, 24, 38-39, 151, 1034, 1048-1049, 1062, 1082-1083
    Dollar diversion investigation, 1024-1025, 1048-1053, 1066, 1142
    Raw materials, 1036-1037, 1040, 1060
    Trade with Soviet bloc, 1041-1044, 1083
    U.S. economic assistance, 1028-1029, 1041-1044, 1047-1048, 1051, 1055-1061, 1065-1070, 1076-1077, 1081-1086
  German assets, 1040, 1092-1093, 1127, 1129
  North Atlantic Treaty Organization, relationship to, 1033-1035
  Occupation of, 1009-1010, 1033*n*, 1034
    British position re, 1013 1017-1018, 1049, 1054-1055, 1072, 1079-1080, 1087
    Costs of, 1010-1013, 1015-1021, 1025-1026, 1040, 1045, 1061-1062, 1074-1076, 1078-1079, 1084-1085, 1089-1091
    French position re, 1013, 1016-1018, 1079-1080, 1088, 1135
    Soviet position re, 1016-1018, 1025, 1045, 1079-1080
  Political situation, 150-151, 1021, 1024-1025, 1031-1032, 1040, 1053, 1083
    Communist penetration of police force, 1026-1030
    Elections, 1011-1012, 1014, 1022-1024, 1037-1039
  Rearmament, 1033, 1046-1047, 1070-1071, 1073, 1097-1098, 1102, 1187-1196
  Soviet Union:
    Policy re, 10, 150-151, 1022-1024, 1031, 1036, 1070-1071, 1073, 1142
Austria—Continued
  Soviet Union—Continued
    Relations with, 1027-1028
    Repatriation missions, 1034, 1063-1064
    State treaty, 1032-1033, 1040, 1045, 1068, 1092-1099, 1101-1110, 1112-1118, 1122-1146, 1153-1159, 1167-1170, 1174-1175, 1177-1180, 1182-1187
    Allies, consultation with, 1111-1112, 1146-1148, 1162-1165, 1173-1174, 1176-1179, 1181-1182
    British position re, 1117-1120, 1138-1139, 1149-1150, 1156*n*, 1181
    French position re, 1120-1121, 1144*n*, 1148-1149, 1151-1153, 1156*n*, 1159-1162, 1165-1167, 1170-1177, 1181-1182
    Joint Chiefs of Staff position re, 1099-1100, 1104-1105, 1124*n*
    Soviet position re, 1092-1095, 1112*n*, 1114, 1129, 1134
  United Kingdom, relations with, 1032, 1040-1041
  U.S. information media, 1062-1063
Azores, U.S. military base rights in, 771-772

Bailey, V. Gerald, 1618-1619
Baltic sea, 1197-1199, 1203-1204, 1213-1214
Bao Dai, Emperor, 357, 364
Barbour, Walworth, 205, 236, 1292-1293, 1424*n*, 1473*n*, 1527, 1529-1531, 1575, 1595-1597, 1602-1605, 1611*n*, 1612*n*, 1669-1670, 1863-1864
Barkley, Alben, 35, 705
Barnard, Chester, 1230*n* 1558-1560, 1587*n*, 1641-1642
Barnes, Robert G., 189-190, 313-315, 912*n*, 1219
Barrett, Edward W., 685, 1206, 1217-1218, 1237-1238, 1311, 1658-1660
*Batory* (SS) incident, 1500-1501, 1590
Batt, William S., 44*n*, 53*n*, 169, 923-925, 933-935, 989*n*, 997-998
Battle, Lucius D., 329, 1531-1532, 1671-1673, 1709
Bay, Charles Ulrich, 757-760, 762-765
Beam, Jacob D., 245-248, 252, 638, 1795-1801, 1859-1861
Begougne de Juniac, Gontran, 1223-1224, 1292-1293, 1716
Beigel, Edgar J., 387, 406*n*, 409, 411*n*, 445*n*, 791*n*
Belgium, 149-150, 157, 271, 1405-1406, 1414
  Economic situation, 20, 146, 149-150, 168, 272, 284-285
  European defense obligations, 269, 273-279, 281, 286-290
  Korean contingent communications incident, 279-280
  Political situation, 149, 286-288, 290

Belgium—Continued
U.S. economic assistance, 271-272, 282-285, 288
Belgrade Convention, 1204-1206, 1555
Bell, John, 275*n*, 387*n*, 552*n*, 569*n*, 572*n*, 580-581, 587*n*, 852*n*
Benediktsson, Bjarni, 486-488, 492-494, 497-498, 500-505, 507-508
Benton, William, 66, 68-71, 517
Benvenuti, Ludovico, 13-16, 82
Berei, Andor, 1450-1456, 1463, 1466, 1472*n*, 1480-1481
Berlin, 159-160, 166, 684, 1292, 1626
Bevan, Aneurin, 921, 943, 974, 1734*n*
Bevin, Ernest, 221, 779, 899, 943
Bidault, Georges, 41, 382, 409, 428, 440, 444, 455, 462, 781
Bissell, Richard M., Jr., 61, 111-113, 189-190, 453*n*, 654-656, 709-710, 930-932, 966-969, 989-990, 1076-1077, 1818-1819, 1870*n*
Black, Eugene, 1687, 1785
Boegner, Jean Marc, 629-630, 653, 806-807
Boerner, Alfred V., 108-111
Bohlen, Charles E., 108, 305, 874*n*, 975*n*, 991-993, 1531, 1570-1571, 1652, 1658, 1670, 1772-1773
Bonbright, James C.H., 860*n*, 880*n*, 1104-1106, 1210*n*, 1765-1768
Eastern Europe, 1223-1224, 1285-1290, 1372-1376, 1441-1442, 1468-1470, 1503-1504
Italy:
Political situation, 640-642, 729-731, 753
Relations with the United States, 648-649
Treaty of Peace, 576*n*, 577*n*, 589*n*, 590*n*
Spain, 787-788, 800-801, 825-826, 839
Yugoslavia, 1699-1701, 1715-1716, 1735-1736, 1862-1863
Bonnefous, Edouard, 41-43
Bonnet, Henri, 297, 348, 358, 431-432, 828-829
Bonsal, Philip, 72*n* 113, 115, 135-136, 653-654, 780-782, 1394-1395
Boyd, J.G., 576, 632-633
Bradley, Gen. Omar, 308, 322-323, 328-329, 333, 356, 397*n*, 398, 401, 412, 783-785, 822, 828, 916, 971, 1100, 1652, 1719-1721, 1754, 1845-1846
Brassard, John O.A., 1548, 1669, 1676
Brentano, Heinrich von, 90-91, 119
Brewer, Sam Pope, 864, 868
Briggs, Ellis O., 1344, 1383-1386, 1396*n*, 1418*n*, 1437-1438
Czechoslovakia:
Border violations, 1339-1342, 1344, 1363-1364, 1370-1371
Oatis Case, 1354-1359, 1361-1362, 1369, 1383-1384, 1414-1415, 1419*n*, 1420-1427, 1434-1435
Political situation, 1346-1348, 1364, 1429-1433
Relations with the United States, 1362, 1364-1365, 1401-1402
Bruce, David K.E., 85*n*, 164-165, 169-170, 379, 437-439, 527-528, 629-630, 806-807, 993-995
Council of Europe, 35, 43, 46-47, 63-64
European coal and steel industry, 93-96, 104*n*, 106-108, 114, 126*n*, 135, 137
France:
Austria, position re, 1012-1013, 1120-1121, 1144*n*, 1148-1149, 1156*n*, 1165-1167, 1170-1173, 1187-1188, 1191-1192
Political situation, 151-153, 349*n*, 350*n*, 380-383, 390-395, 397-404, 414-422, 455-457, 461-473
Relations with the United States, Pleven visit, 291-295, 296*n*, 297-298, 315, 317
U.S. military assistance, 383-387, 389-390, 428-429, 439-441
Bruner, Mirko, 1849-1851
Brusasca, Giuseppe, 571, 698
Brussels Conference on Migration, 194-203
Bulgaria (*see also* Eastern Europe), 724, 1224-1226, 1231, 1239-1241, 1267, 1308, 1321, 1327-1337
Burma, 1544, 1599, 1625
Burns, Maj. Gen. James H., 485, 810*n*, 817, 1706-1708, 1786
Burrows, Bernard A.B., 662, 797-802, 804*n*, 811-812, 813*n*
Butterworth, W. Walton, 1-4, 872
Byington, Homer M., Jr., 550*n*, 597*n*, 648*n*, 649*n*, 720*n*, 795*n*, 813*n*, 819*n*, 1001-1002, 1724-1725
Italian Treaty of Peace, 584-585, 589-591, 603-605, 620-622, 627-629, 643-644, 656-663, 668-669, 725-728
Spain, 797-800, 804*n*, 811-812
Trieste, Free Territory of, 213-215, 239-240, 255-256, 659
Byrns, Kenneth A., 481-485, 489*n*, 493*n*, 502, 755-756
Byroade, Henry A., 91, 93, 96*n*, 103*n*, 150, 165-166

Cabot, Thomas D., 44, 53, 311, 411*n*, 968-969
Caccia, Harold, 1033-1034, 1049, 1054, 1070-1071, 1076, 1080, 1087, 1122, 1138, 1153-1154, 1190
Camp, Miriam, 125*n*, 126*n*, 1293*n*
Campbell, John C., 228*n*, 230*n*, 1224*n*, 1230*n*, 1269-1270, 1722-1724, 1758*n*, 1815*n*, 1827*n*, 1861*n*, 1863, 1864, 1871-1872
Canada, 4, 161, 181, 201, 711, 909, 964, 1271, 1557, 1835-1836
Capodistria, 209, 237, 264
Carney, Adm. Robert B., 261-263, 328, 358, 359*n*, 371, 610, 816
Cattier, Jean, 111*n*, 167
Cheetham, Nicholas, J.A., 1713-1714
China, People's Republic of, 154, 306-308, 938-939, 982, 1222-1223, 1284, 1524, 1534, 1544, 1600, 1617-1618, 1625

Churchill, Winston S., 41, 76-79, 81, 298, 462, 808, 894, 975, 978-980, 987-989, 993, 995, 998-999, 1660
Civil aviation. *See under* Czechoslovakia: U.S. economic sanctions; Eastern Europe: Civil aviation policy; National Security Council.
Clark, Gen. Mark W., 1002-1006, 1008
Cleveland, Harlan B., 552*n*, 572*n*, 656, 968, 989*n*
Colladay, Montgomery H., 649*n*, 658*n*, 1047-1048, 1112*n*
Collins, Gen. J. Lawton, 303, 328-329, 741-742, 839*n*, 986-989, 1837, 1846, 1855-1856
Comite Interior de Coordinacion (CIC), 822-824, 835-837
Commonwealth. *See under* United Kingdom.
Confederazione Generale Italia'na del Lavoro (CGIL), 547, 730-731, 751-753
Confederazione Italiana dei Sindacati Lavoratori (CISL), 730-731, 751-753
Congress, U.S.:
  Acts of:
    An act relating to foreign accounts in Federal Reserve banks and insured banks, 1299*n*
    Displaced Persons Act, 171-172, 176, 178, 187, 1244
    Foreign Agents Registration Act of *1938*, 1279-1280
    Internal Security Act, 690-691, 1244, 1291
    Mutual Defense Assistance Act of *1949*, 1750-1752, 1760
    Mutual Security Act of *1951*, 188, 257, 446, 479, 534, 541, 1674-1675
    Trade Agreements Extension Act of *1951*, 1268, 1416
    Yugoslav Emergency Relief Act of *1950*, 1678-1679, 1699
  Council of Europe, U.S. participation in, 32-35, 59-60, 63-76
  Czechoslovakia, Concurrent Resolution *140*, 1402-1403
  ECA legislation section *115(e)*, 178, 187
  Italian Treaty of Peace, revision of, 621, 629-630
  Senate resolutions, 17-18, 32*n*, 34-35, 60*n*, 269, 523, 1276-1277
    McMahon-Ribicoff, 1560-1564, 1607-1611, 1635-1641
  Spain, 830-831, 853
  Western Europe, 32-34, 178, 333-334, 417
  Yugoslavia, U.S. assistance to, 1678-1679, 1699-1700, 1735-1736, 1783
Connally, Tom, 17, 33, 59, 523, 583*n*, 791, 1276, 1771, 1778-1779
Copenhagen Convention, 1308-1309
Copper, 950-951, 964-965
Corbett, Jack C., 848*n*, 856*n*, 995
Council of Europe, 1-4, 13, 25-35, 41-43, 46-47, 83-84
  British position re, 28-31, 42-43, 76, 80-81
Council of Europe—Continued
  Federalists and functionalists, 28, 41-42, 81
  French position re, 30, 41, 43, 75, 158
  Germany, Federal Republic of, membership in, 25*n*, 30, 43
  Population surplus, 178, 186-187
  Schuman Plan, 117-120
  U.S. Congressional representation in 32-35, 59-60, 63-76
  Unity of Europe debate, 59-60, 63-76, 80-84
Cox, Henry B., 64, 66, 68, 71, 186*n*
Crusade for Freedom, 1271, 1315
Cumming, Hugh S., 260, 1295, 1304-1305, 1476-1478, 1661-1662, 1664-1665, 1676
Czechoslovak State Airline (CSA), 1266, 1281-1283
Czechoslovakia, 12, 1205, 1269, 1280, 1349-1351
  Border violations by U.S. military, 1339-1346, 1359-1361, 1363-1364, 1370-1371
  Economic situation (*see also* U.S. economic sanctions *below*), 712, 1349, 1351
  Freedom train incident, 1413, 1415-1416
  Oatis case (*see also* U.S. economic sanctions *below*), 1277, 1351-1359, 1362, 1366, 1369, 1379-1383, 1388-1390, 1399-1404, 1408-1411, 1414-1415, 1417-1429, 1434-1436
  Political situation, 1346-1350, 1429-1433
  Radio Free Europe broadcasts, 1359-1362, 1364-1368
  Relations with the United States, 1362-1363, 1367-1368, 1382-1386, 1390-1391, 1401-1402, 1407-1411
    Civil aviation permit suspension, 1266, 1281-1283, 1388-1398, 1405-1407, 1411-1413
    Diplomatic personnel, treatment of, 1338-1339, 1344, 1409-1410
    Economic sanctions, 1372-1376, 1382, 1389, 1391*n*, 1410, 1416-1417, 1428, 1434, 1437-1438

Daridan, Jean, 296, 798*n*, 802
Davis, Nathaniel P., 1446*n*, 1449-1456, 1457*n*, 1459-1464, 1486, 1651*n*
Davis, Richard H., 1275-1276
Dawson, Henry P., 1036*n*, 1072*n*, 1074*n*
Dawson, Laurence A., 1242-1244, 1290*n*
Dayton, 256-257, 575, 606, 735-736, 747-749
De Gasperi, Alcide, 580, 610, 619, 626, 634-635, 648-649, 684-687, 704-705, 711-713, 715-717
  Italian Treaty of Peace, revision of, 607, 638-639, 643, 672
  Trieste, Free Territory of, 209, 227*n*, 228-232, 242, 246, 248-253, 259, 586, 675-680, 699-703, 713-714

De Gasperi, Alcide—Continued
Western European defense, Italian role in, 550, 572, 607-608, 618, 642
De Gaulle, Charles, 78, 291*n*, 390-391, 395, 397, 465-472
De Lattre de Tassigny, Jean, 152, 356, 363-365, 372-373, 415*n*, 429, 994
De Margerie. *See* Jacquin de Margerie, Christian.
De Valera, Eamon, 524-526, 529, 539
Denmark, 20, 38-39, 1252*n*
Deutsche Kohlverein (*see also* Schuman Plan: Western Europe: Economic situation), 86, 89, 95-96, 130-135
Dillon, Thomas P., 1424*n*, 1490*n*
Displaced Persons Act, 171-172, 176, 178, 187, 1244
Djilas, Milovan, 1713-1715, 1722, 1794, 1800-1802, 1855-1856
Donnelly, Walter J., 1070-1071, 1073, 1114, 1444, 1458-1459
Austria:
Economic situation, 151, 1024-1025, 1028-1029, 1048-1049, 1065-1069
Occupation costs, 1016-1019, 1025-1026, 1049, 1054-1055, 1061-1062, 1079-1080, 1087-1089
Political situation, 150-151, 1009-1011, 1014, 1021-1024, 1026-1030, 1031-1035, 1037-1039, 1052-1055
State Treaty, 1107-1109, 1113*n*, 1116-1118, 1122-1123, 1128-1129, 1131, 1139-1143, 1153-1154, 1156*n*, 1158-1159, 1163*n*, 1168-1169, 1183*n*
Dowling, Walter, 1010, 1079, 1085-1088, 1250-1251
Doyle, Michael Francis, 1669-1670
Dufault, Wilfred J., 1669-1670
Dulles, Eleanor L., 1010*n*, 1015*n*, 1020*n*
Dulles, John Foster, 1238, 1526
Dunham, William B., 787*n*, 791*n*, 795*n*, 798-799, 802*n*, 839*n*, 844*n*, 848*n*, 849*n*, 852*n*, 856*n*, 859*n*
Dunn, James C., 546, 561-565, 568-569, 571-575, 582, 599-600, 602, 605-606, 610, 612-621, 626, 636-637, 639, 641-642, 753*n*
Trieste, Free Territory of, 208-211, 221, 227*n*, 228, 242*n*, 250-256, 259-260

East-West trade, 167-168, 971, 1034, 1041-1044, 1215-1216, 1220-1223, 1267-1269, 1305, 1526, 1539, 1541-1542, 1548-1549, 1633-1634, 1639
Eastern Europe:
Civil aviation policy, 1227-1229, 1265-1267, 1281-1285, 1296, 1332, 1388-1398, 1405-1407, 1411-1413
Danube River, freedom of navigation, 1204-1206, 1332, 1555
Diplomatic personnel, treatment of (*see also under* Czechoslovakia; Hungary; Soviet Union), 1216-1217, 1219, 1261-1262, 1276-1277, 1296-1298, 1307
Eastern Europe—Continued
Economic situation, 1215-1216, 1220-1223
Estonian missions, establishment of in Paris and Bonn, 1299-1302
Exile groups, 1263-1264, 1299-1304, 1322, 1325, 1328, 1336
International Economic Conference, Moscow, 1285-1290, 1292-1295, 1298, 1304-1305
Journalists, treatment of, 1277-1281
Latvian missions, establishment of in Paris and Bonn, 1302-1304
Political refugees to the West, 175, 1272, 1290-1292
Political situations, 1215, 1231-1232
Radio information activities of the United States (*see also* Radio Free Europe; Voice of America), 1063, 1206-1208, 1218, 1233, 1238, 1258-1259, 1263, 1280, 1305-1306, 1308-1316, 1330
Satellite peace treaties, violations of, 624-625, 1223-1226, 1240, 1269-1270, 1330-1331, 1335-1336
Soviet policy, 1259-1260, 1598
U.S. policy re, 1214-1217, 1220-1223, 1231-1232, 1257-1261
Winds of Freedom project, 1270-1271, 1311
World Peace Council, 1246-1250, 1252-1257, 1273-1275, 1286-1288, 1293-1294, 1543
Economic Cooperation Administration (ECA), 19, 39, 49*n*, 108, 178-179, 188-190, 204
Austria, 1055-1061
Belgium, 271-272, 282-285
France, 387*n*, 388*n*, 389, 402, 406-408, 410
Ireland, 516, 534-539, 541-542
Italy, 566-573, 721-723, 735, 747-749
Trieste, Free Territory of, 211-213, 219-220, 224-225, 256
Yugoslavia, 1818, 1821-1827, 1861-1862
Eden, Anthony, 462, 740, 979, 998, 1087, 1170*n*, 1176, 1181
Egypt, 6, 359, 695-697, 981-982
Eisenhower, Gen. Dwight David, 158, 261, 280*n*, 298, 317, 764, 777, 834, 919, 1034-1035, 1711
El Salvador, 736-737
Elliot, William, 825, 963-964, 971
Erhard, Ludwig, 91-92, 126-129
Eritrea, 586, 698
Estonia, 1263-1264, 1268, 1299-1302, 1314
Ethiopia, 698, 732
Europe. *See* Eastern Europe *and* Western Europe.
European Agricultural Authority, 13-17
European Coal and Steel Community. *See* Schuman Plan.
European Manifesto, 13, 49-62
European Payments Union (EPU), 18-25, 38-40, 499, 1818-1819, 1841-1842

European Regional Broadcasting Conference, 1308–1309
European Union Resolution, 17–18
European unity. *See* Unity *under* Western Europe.
Evans, Barbara, 1663–1664
Export-Import Bank, 843–848, 855–856

Far East, 893, 895–896, 899–900, 903–909, 936, 938–939, 982, 1542, 1580–1584, 1599–1600
Figl, Leopold, 1011, 1022, 1024, 1026, 1038, 1040, 1048, 1052–1053, 1123, 1719
Five-Power Peace Pact, proposed, 1253–1257, 1645–1646
Flack, Joseph, 118, 1492–1500, 1503, 1505, 1507–1508
Ford, Peyton, 1560*n*, 1633–1634
Foreign Agents Registration Act of *1938*, 1279–1280
Formosa, 893, 939, 1625–1626
Foster, William C., 12, 18–22, 49–50, 108, 224–225, 264, 282–285, 333, 499–500, 928–929, 1839–1840
Four-Power Deputies Conference in Paris, 354, 369, 378
Four-Power Exploratory Talks, 1110, 1112*n*
France:
  Agricultural pool proposal for Europe, 15–16, 21–22, 36–37
  Armed forces, 151–153, 320–322
  Austria:
    Occupation costs, 1013, 1016–1018, 1079–1080, 1088, 1135
    Rearmament, 1187–1188, 1191–1193
    Soviet repatriation mission, 1064
    State Treaty, position re, 1120–1121, 1144*n*, 1148–1149, 1151–1153, 1156*n*, 1159–1162, 1165–1167, 1170–1177, 1181–1182
  Defense, 292, 345–346, 364–365, 428–429, 431, 439–441, 461–462
  Rearmament, 317, 346
  Economic situation, 298, 339, 363, 405–409, 413–414, 422–431, 433–437, 439–440
    Coal, 145–146, 424–426, 429–431, 436–437
    Inflation, 331–332, 341–342, 347, 407
    Raw materials, 332, 342–343, 347
    Steel industry, 88–89
    Trade, 332, 342, 405, 409, 460–461
  Eastern European civil aviation policy, 1282–1284, 1391–1395, 1398
  Foreign policy (*see also* Relations with the United States *below*), 5, 113–114, 176, 306, 334–335, 780–782, 1292–1293
    Council of Europe, 30, 41, 43, 75, 158
    Germany, Federal Republic of, 88, 93–96, 316, 336, 346, 366, 378–379, 420, 437–438
    Italian Treaty of Peace, revision of, 627–630, 637–638, 653–654, 663, 665–666, 672, 727–729, 749
France—Continued
  Foreign policy—Continued
    Italy, 571, 573–574, 582
    Korean war, 303–306, 345, 353, 374–377
    Malta talks, 358–361, 369–372
    Middle and Near East, 324, 328–329, 358–360, 369–372, 416
    Southeast Asia, tripartite consultative body, 312–313, 315*n*, 335–336
    Spain, 780–787, 806–807
    Yugoslavia, 1678, 1715–1716, 1772
  Indochina, 151–153, 293, 297, 299, 305–307, 320–321, 345, 355–358, 364–365, 372–374, 415, 427–428, 429, 443, 445, 457, 1544
    U.S. military assistance, 310–315, 333–336, 373
  Political situation, 151–153, 299, 349–351, 363, 380–383, 390–392, 393–397, 408–409, 414–421, 455–457, 461–473, 1210
  Relations with the United States:
    Auriol–Truman talks, 348–368, 378–379
    Pleven–Truman talks, 291–313, 315–338, 344–348
    Schuman–Acheson talks, 360–361, 368–378
  Schuman Plan, 89, 91–96, 98–101, 106, 113–114, 117–120, 137, 346, 357
  U.S. economic assistance, 340–341, 347, 351–352, 387*n*, 388*n*, 389, 402, 406–413, 432, 445–451, 455, 476
  U.S.-French Economic Working Group, 330–331, 338–344
  U.S. military assistance (*see also under* Indochina *above*), 333, 339–341, 352–353, 383–390, 392–393, 398–408, 441*n*, 442–444, 448, 450, 452–454, 456–459, 474–479
  Western European defense, participation in, 298–299, 322–324, 345–346, 377–378, 438–441
Francfort, Pierre, 637–638, 663, 725–729, 737, 747, 1146–1147
Franco, Generalissimo Francisco, 533*n*, 774*n*, 779–780, 796, 799, 804, 809, 811, 813*n*, 814, 817, 824, 826–827, 828*n*, 830–831, 833, 836, 860, 864–867, 869
Franks, Sir Oliver, 800–801, 828–829, 888, 889*n*, 901*n*, 902, 912*n*, 914–916, 925*n*, 926, 940, 945–946, 971, 1754
Free Territory of Trieste. *See* Trieste, Free Territory of.
Fyfe, David Maxwell, 891–893

Gaitskell, Hugh, 52, 927–928, 934–935, 959–961, 963, 965–966, 968–970
Galloway, Robert E., 211–213, 225*n*, 256*n*, 257
Gannett, Michael R., 1239*n*, 1689–1691, 1693*n*, 1696*n*, 1831*n*, 1851*n*, 1856*n*
Gantenbein, James W., 1509–1521
Garner, Robert L., 1680, 1853–1854
Garrett, George A., 514, 522, 528

Gaston, Herbert E., 844–848
General Agreement on Tariffs and Trade (GATT), 332*n*, 712, 1416–1417, 1426, 1556
Germany, Democratic People's Republic of, 156, 159, 1026, 1268, 1626
Germany, Federal Republic of, 43, 270, 379, 1015, 1621–1622
  Economic situation, 56, 155
    Coal and steel industry (*see also* Schuman Plan *below*), 86–90, 92–93, 95–96, 113–116, 130–135, 143–144, 425
    European Payments Union assistance program, 19–20, 24, 38–39
    Prohibited and Limited Industries Agreement (PLI), 87, 90–91
    Trade with the Soviet bloc, 167–168
  France, position re, 88, 93–96, 316, 336, 346, 366, 378–379, 420, 437–438
  Occupation forces policy, position re, 46–47
  Political situation, 92, 105, 116–117, 120–121, 137–138, 155–156
  Population migration, 174–175
  Rearmament, 148, 154, 156, 336, 939
  Schuman Plan, 86–98, 102–105, 108–111, 116–119, 120–121, 127*n*, 137–138, 167
  Soviet position re, 154, 159–160, 337, 1598–1599, 1621–1622, 1665–1666
  United Kingdom, sale of scrap iron to, 122–130, 135
  Western European defense, participation in, 158, 168–169, 336–337, 346, 377, 691
Germany, unification of, 155–156, 159–160
Gifford, Walter S., 113, 153, 166, 218–219
  United Kingdom:
    Austria, policy toward, 1040–1041, 1117, 1138–1139, 1149–1150, 1156*n*, 1164–1165, 1190
    Defense program, 887–888, 890–891, 911–914, 916–918
    Foreign policy, 148–149, 156–157, 723–724, 899–900, 1734–1735
    German scrap iron trade issue, 126*n*, 129*n*
    Political situation, 778–779, 920–921, 960–961
    Spain, policy toward, 778–779, 805–806, 827–828
    United States, attitude toward, 892, 894–899, 903–905, 919–922, 941–944
    U.S. economic assistance, 916–918, 927–928, 959–960, 998–999
Gillette, Guy M., 17, 32–35, 830
Gleissner, Heinrich, 1014, 1039
Godley, G. McMurtrie, 186*n*, 294*n*, 295*n*, 299*n*, 395–397
Goetzmann, J.L., 449–451
Goldenberg, Leon, 98–101
Goott, Daniel, 120, 121*n*, 1590*n*
Gordon, Lincoln, 409*n*, 411*n*, 453, 968
Gottwald, 1401, 1414, 1415*n*, 1431–1433
Greece, 174, 732, 1333–1334, 1626–1627
  Albania, 732, 1320, 1324, 1326
  Belgium, economic relations with, 272, 284–285
  European Payments Union, 19–20, 24, 38–39
  NATO membership, 420, 684
  Yugoslavia, relations with, 1718–1719, 1779–1780, 1781*n*, 1789
Green, Theodore Francis, 60, 63–65, 71, 831
Green, William, 1581, 1593
Greene, Joseph N., 204*n*, 215*n*, 216*n*, 222*n*, 225, 226*n*, 228*n*, 230*n*, 234*n*, 258*n*, 264*n*, 576, 579, 583*n*, 589*n*, 622*n*, 631–633, 745*n*, 1004–1007
Griffis, Stanton, 791*n*, 795*n*, 797–798, 801, 803, 805–809, 811–817, 822, 830, 832, 834, 838, 846*n*, 848*n*, 849*n*, 852*n*, 855–856, 858–859, 860*n*, 861*n*, 1004
Gromyko, Andrei, 260, 1112*n*, 1114, 1473–1474, 1475, 1548, 1641, 1653–1655
Grösz, Joszef, 1464, 1484
Gruber, Karl, 1014, 1026, 1032, 1038–1040, 1088*n*, 1109, 1114–1116, 1119*n*, 1131–1136, 1138, 1141, 1153–1154, 1156*n*, 1158, 1163, 1168–1169, 1174–1175, 1178*n*, 1184
Gruenther, Lt. Gen. Alfred M., 1032–1034

Hall, Robert L., 887, 890–891, 926, 933–934, 947
Hall-Patch, Edmund Leo, 5, 46
Hallstein, Walter, 46, 91, 93, 103, 116, 138
Hammarskjöld, Dag, 1, 4*n*
Handy, Thomas T., 44*n*, 53*n*, 406*n*
Harriman, W. Averell, 373, 378–379, 398, 425, 430–433, 440, 444–445, 447, 453, 455, 459, 702, 709, 818, 999, 1837, 1842–1843
Harrison, Geoffrey W., 1149–1150
Hauge, Jens Christian, 345*n*, 759*n*, 766, 769
Hays, George P., 127, 129–130
Heath, Donald R., 311, 313
Helmer, Oskar, 1027–1028
Henry, David H., 1305–1306
Herod, William R., 162, 281
Herz, Martin, 1151–1153
Hickerson, John D., 178*n*, 187, 189*n*, 683, 696–698, 1846–1848
Higgs, L. Randolph, 1381, 1415*n*, 1528–1529, 1735*n*, 1748–1750, 1762*n*, 1781*n*, 1802
Hill, Herbert W., 32–34, 59–60
Hilton, Howard J., 216, 627, 661*n*, 673*n*, 725*n*, 737*n*, 738, 745*n*, 749*n*
Hirsch, Étienne, 93–96
Holmes, Julius C., 122–125, 128, 135–136, 166, 952–959, 1118–1120, 1842–1843
Hong Kong, 893, 939, 982, 1626
Hooker, John, 1853–1854
Horowitz, Daniel L., 729*n*, 751–753
Howe, Fisher, 1570–1571, 1670–1671
Humphrey, Hubert H., 33*n*, 67–69, 71

Hungary (*see also* Eastern Europe):
Economic situation, 1230, 1269, 1440, 1483, 1487-1488
German property restitution, 1443-1448, 1455, 1461, 1488
Political situation, 1230, 1467, 1482-1483, 1489
Relations with the United States, 1483-1489
Diplomatic personnel, treatment of, 1441-1446, 1448, 1452-1454, 1464-1467, 1487
St. Stephens crown, return of, 1448, 1450-1454
Treaty of Peace violations, 1224-1226, 1240-1241, 1308, 1467
U.N. membership, 724, 1231, 1241
U.S. Air Force plane downing incident, 1468-1482, 1486
Vogeler case, 1439-1441, 1444, 1446-1452, 1455*n*, 1457-1464, 1484
Huntington, Col. Ellery, 1748-1750
Huston, Cloyce K., 524-526, 528-534, 1691-1692, 1693*n*, 1703*n*, 1710*n*, 1746*n*, 1747*n*, 1763*n*

Iceland:
Agreement with the United States for defense, 481-489, 492-498, 500-501, 503, 505-506
Defense, 480-485, 489-492
Economic situation, 19-20, 24, 38-39, 499-500, 509-513
Political situation, strikes, 480, 501-507
Territorial waters, extension of, 507-509
India, 156, 908, 940, 1284, 1535, 1543, 1583-1584, 1599
Indochina, 151-153, 293, 297, 299, 305-307, 320-321, 345, 355-358, 364-365, 372-374, 415, 427-429, 443, 445, 457, 1544
U.S. military assistance, 310-315, 333-336, 373
Internal Security Act, 690-691, 1244, 1291
International Bank for Reconstruction and Development (IBRD), 181, 184, 509-513
Yugoslav loans, 1680-1681, 1686-1689, 1698, 1743-1745, 1770-1771, 1773-1775, 1785, 1811-1814, 1853-1854
International Economic Conference, Moscow, 1285-1290, 1292-1295, 1298, 1304-1305
International Economic Council, 1273-1276
International Labor Organization (ILO) 177, 180, 186, 191
International Refugee Organization (IRO), 171, 176, 178, 180, 183
International Telecommunication Union, 1546, 1553
Iran, 154, 936, 940, 970, 982, 1244, 1544, 1582, 1584, 1627-1628
Ireland, 519, 522, 524-525, 539
Foreign policy, 516-517, 520, 524-526

Ireland—Continued
NATO membership, 515, 521
Partition issue, 517-518, 521, 523, 526, 540
Relations with the United States, 514-522
U.S. economic assistance, 516, 534-539, 541-542
U.S. military assistance, 515-516, 518, 521, 527-533, 539
Italian Peace Treaty. *See* Treaty of Peace *under* Italy.
Italy (*see also* Trieste, Free Territory of) 10, 174-175, 1007
De Gasperi visit to the United States, 648-649, 674-717
Defense (*see also* Treaty of Peace, revision of *below*), 546, 550-551, 611, 627, 707
Armed forces, 546, 610, 670-672
Economic situation, 20, 56, 212, 560, 608-609, 619-620, 641, 704, 706-708, 731-734, 744
Foreign policy, 6, 43, 157, 572-574, 587, 626, 684-686, 691-698, 712, 732, 1307
Albania, 732, 1320, 1323-1324, 1326
Nonaggression Pact, proposed, 591-596, 600-604
Yugoslavia, 209, 214-215, 245-246, 678, 732, 1724-1725
Foreign relations, 571, 573-574, 582, 586-587, 687-689, 732-733
North Atlantic Treaty Organization, participation in, 551, 574*n*, 604, 624
Political situation, 543-545, 547-549, 550, 602, 616-620, 627-628, 639-643, 684, 700, 730-731, 751-753
Communist influence in, 246, 547-548, 561-562, 604-606, 616-619, 634-636, 751, 1030, 1032
Population surplus, 587, 704-705, 708, 710-711, 716, 719
Immigration to the United States, 690-691, 712-713, 719
Rearmament, 545, 547-549, 590, 670-671
Treaty of Peace, revision of, 210, 545, 579, 600-601, 718, 731-734
British position re, 576, 600, 632-633, 644-648, 657-658, 662, 665-666, 723-724, 737-738, 749
French position re, 627-630, 637-638, 653-654, 663, 665-666, 672, 727-729, 749
Italian position re, 582-583, 586, 604, 607, 612-613, 620-621, 643-644, 681-683, 725-726
U.S. position re, 584-585, 590-591, 605, 614-616, 621-626, 629-630, 636-637, 649-652, 658-661, 664-668, 672-674, 681-683, 704, 716, 738, 745-746, 749-750
Yugoslav position re, 230*n*, 638-639, 645-646, 650-651

Italy--Continued
Trieste, Free Territory of:
Actions of sovereignty, 216-217, 223, 225-226, 703
Economic assistance to, 212, 219-220
Jurisdiction issue, 223, 225-226, 676-678, 680
Position re, 209, 231, 266-267, 586, 646, 675-680, 714, 742
Yugoslavia, negotiations with, 214, 218, 231, 239-240, 245, 258*n*, 266, 646
U.N. membership, 683-684, 716, 718, 724, 736-737, 739-740, 747
U.S. economic assistance, 566-573, 609, 631, 654-656, 707-709, 721-723, 735, 747-749
U.S. military assistance, 550-561, 563-565, 574-575, 577-581, 587-589, 597-599, 608-610, 721-723, 735-736, 741-745

Jacobs, George R., 125*n*, 126*n*, 575
Jacquin de Margerie, Christian, 627-629, 798*n*, 802, 804*n*, 1165
James, Virginia H., 1276*n*, 1564*n*
Jamieson, Kenneth, 657-658, 725-726, 728-729, 737-738, 747, 798-799, 1144, 1146-1147
Janelli, Pasquale, 231, 681-682, 687-693, 697-698
Japan, 270, 309, 687-689, 908, 939, 1015, 1524, 1557
Japanese Peace Treaty, 627-628, 687-688, 939
Javits, Jacob K., 1439-1441
Jellicoe, Earl, 1269, 1678*n*, 1691-1692, 1734*n*, 1743-1744, 1753
Jessup, Philip C., 299-303, 314-315, 369, 377, 901*n*, 905, 914-916, 1097-1099, 1103-1104, 1110*n*, 1203-1204, 1525-1526
Jewish Bund, 1242-1244
Johnson, John, 758*n*, 768-770
Johnson, Valdemar N.L., 1262-1265, 1290*n*, 1299-1304
Joint Chiefs of Staff:
Austrian State Treaty, 1099-1100, 1104-1105, 1124*n*
Spain, U.S. policy toward, 157, 782-785
Yugoslavia, military assistance to, 1707, 1719-1721
Jones, John Wesley, 774*n*, 851-852
Jovanovic, Rados, 1719, 1789
Joyce, Robert P., 1415*n*, 1689-1691, 1717-1718, 1721, 1776-1778, 1792-1793
Juan Carlos, 859-860, 862-869
Judd, Walter H., 67-68, 71-72, 74, 1767-1768
Juin, Gen. Alphonse P., 298, 320-321, 323

Kaiv, Johannes, 1263-1265, 1299-1302, 1312-1314
Kardelj, Eduard, 236, 252, 1679, 1697-1698, 1710-1712, 1732-1733, 1739, 1745-1746, 1794, 1799, 1801
Katz, Milton, 4*n*, 5-12, 22-25, 38-40, 113*n*, 141, 163-164, 166, 168-170, 219-220, 398
Keating, Kenneth B., 66, 68-71
Keflavik Airport Agreement of *1946*, 482, 484
Kelly, Edna F., 263, 1650, 1865-1866
Kennan, George F., 1557-1560, 1663, 1673
Kidric, Boris, 1687, 1794, 1842
Kimpel, Benjamin D., 1012*n*, 1015*n*, 1020*n*, 1097*n*
Kirk, Alan G.:
Soviet Union, 153-154, 1524-1525, 1613-1614, 1640-1641, 1665-1667, 1738-1740
Foreign policy, 151, 154-155, 168, 1533-1536, 1574-1579, 1632-1633
Relations with the United States, 1548, 1604, 1649-1650, 1652-1658, 1663-1664, 1668, 1674*n*
Kleinwaechter, Ludwig V., 1051-1052, 1131, 1136-1137
Korean war, 270, 279-281, 303, 308-310, 374-377, 698, 893, 939, 981-982, 1544
Soviet position re, 1248, 1524, 1534, 1599, 1656, 1661

Labouisse, Henry R., 430-431, 433-434, 447-449, 453-455, 459, 474-479, 1773*n*
Lacoste, Robert, 98, 101
Lancaster, William W., 1558-1559, 1560*n*, 1572
Lane, Thomas J., 731, 1315*n*
Lange, Halvard M., 46, 758, 762
Larock, Victor, 31, 81, 84, 119
Latvia, 1263-1264, 1268, 1302-1304
Lawson, Edward B., 480, 482-486, 489*n*, 492-498, 500-501, 503-509
Lay, James S., Jr., 348, 543*n*, 773*n*, 818, 820*n*, 874*n*, 880*n*, 1200*n*
Layton, Walter Thomas, 35, 59, 64-66, 71, 73-74, 76, 119
Le Roy de la Tournelle, Guy, 944, 1171, 1394
Lewis, Geoffrey W., 128-129
Libya, 586, 695-698
Lie, Trygve, 1249, 1307, 1673
Lithuania, 1263-1264, 1268, 1313
Litvinov, Maksim Maksimovich, 1547*n*, 1551-1552, 1646
Lodge, Henry Cabot, 545, 583-584, 590
LOT (Polish airline), 1266, 1281
Lovett, Robert A., 426-428, 432*n*, 444-445, 766*n*, 914-915, 1829-1831, 1845*n*
Luciolli, Mario, 214-215, 230*n*, 239, 626, 633, 643, 648, 668-669, 725-726, 728, 737-738, 747, 1001-1002, 1724

MacArthur, Gen. Douglas, 270, 376, 415*n*, 893-894, 896, 938
MacArthur, Douglas, II, 527*n*, 528-530, 869-871
MacBride, Sean, 47, 514, 516-522, 529
McCloy, John J., 90-94, 96-98, 102-103, 105, 113*n*, 116, 127*n*, 130-131, 137-138, 149, 155-160, 164, 167-169, 1115-1116

McCormack, John, 1085*n*, 1086, 1781
McDermott, Michael J., 613, 1505–1506, 1528–1529, 1533
McFall, Jack K., 523, 1281, 1403, 1552*n*, 1564–1566, 1771–1772, 1781
McGhee, George C., 328, 694–695, 697–698
MacKay, R.W.G., 29, 42
McKisson, Robert M., 1230*n*, 1239*n*, 1439–1441, 1446*n*, 1465, 1468*n*, 1471*n*, 1474
McMahon-Ribicoff resolution, 1560–1564, 1607–1611, 1635–1641
McMahon, Brien, 65, 71, 77–79, 634, 830, 1529*n*, 1560*n*, 1561*n*, 1607*n*, 1610*n*, 1658–1660, 1833–1834
MacVeagh, Lincoln, 771, 776–777, 813*n*
Magistrati, Massimo, 575, 608
Magnani, Valdo, 568*n*, 618
Makins, Roger, 917–928, 1735
Malagodi, Giovanni Francesco, 608, 706
Malik, Yakov Alexandrovich, 1526, 1558, 1572, 1672
Mallet, Victor, 231, 586, 1190
Malta, 174, 358–361, 369–372
Manola, Adm. Srećko, 1722, 1740, 1860
Marcy, Oliver M., 1224*n*, 1230*n*, 1239*n*, 1257*n*, 1318*n*, 1748*n*
Marjolin, Robert E., 5–6, 12, 44–46, 49*n*, 54*n*
Marras, Efisio L., 606, 610, 741–742
Marshall, George C., 269, 295, 299, 311–313, 319–324, 333–334, 427, 771, 782–783, 787–788, 816–817, 828, 838, 889, 901*n*
Marshall Plan, 78, 163
Mates, Leo, 218, 230*n*, 233, 245–246, 251–252, 258, 639, 1712, 1856*n*
Matthews, Francis P., 537*n*, 538–541
Matthews, H. Freeman, 183, 328–329, 543*n*, 767–768, 795*n*, 801–802, 810, 839*n*, 971, 985–989, 1045–1047, 1195–1196, 1684–1686, 1725–1726
Mayer, René, 137, 382, 409, 424, 427–435, 439, 444, 452, 460–462
Medium-Term Defense Plan. *See under* North Atlantic Treaty Organization.
Merchant, Livingston T., 185, 995
Middle East, 77, 358–362, 369–372, 693–698, 909, 982, 994, 1007, 1542, 1600
Moch, Jules, 292, 365, 385, 397*n*, 398
Mollet, Guy, 41, 137, 409
Monnet, Jean, 93–96, 99, 101, 103*n*, 107–108, 134, 140, 297, 440, 458, 462
Montini, Giovanni B., 550, 1001–1002
Morrison, Herbert S., 4*n*, 46, 122–123, 126*n*, 228, 643, 672, 971, 1040, 1070, 1130, 1648–1649
Moscow International Economic Conference. *See* International Economic Conference, Moscow.
Murphy, Robert D., 102, 103*n*, 149–150, 157, 162, 272–274, 280–281, 285–289
Mutual Defense Assistance Act, 1750–1752, 1760
Mutual Security Act of *1951*, 188, 257, 446, 479, 534, 541, 1674–1675
Naples Conference on Migration, 186, 191–194, 711
National Committee for a Free Europe, 1207–1208, 1306
National Intelligence Estimates. *See under* National Security Council.
National Security Council:
  Austria, 1041–1044
  Civil aviation policy, Soviet bloc, 1265–1267, 1280–1285, 1332, 1553
  Determination number *2*, 1041–1044
  Documents:
    NSC *15* series, 1227, 1265
    NSC *18/4*, 1684–1685, 1706–1707
    NSC *58/2*, 1257–1259
    NSC *66/1*, 1202
    NSC *67/3*, 543–545
    NSC *72* series, 773–776, 789–790, 820–822
    NSC *78/1*, 1200–1202, 1208–1210
    NSC *88*, 1197*n*, 1213–1214
    NSC *119*, 880–886
  National Intelligence Estimates:
    NIE-*7*, 1685
    NIE-*22*, 1220–1223
    NIE-*25*, 1622–1629, 1630*n*
    NIE-*29*, 1755–1757
    NIE-*42*, 1319–1326
  Port security, 1200–1202, 1208–1210, 1212–1213, 1554
  Soviet closing of Baltic Sea, possible, 1197–1199, 1203–1204, 1213–1214
  Spain, 773–776, 787–790, 820–822
  Switzerland, U.S. policy re, 880–886
Netherlands, 6, 10, 20, 24, 174, 754, 1405, 1411–1412
*News*, 1274–1275, 1613–1614, 1620
Nitze, Paul, 329, 818, 901*n*, 914–916, 971, 985–989, 1238, 1671
Nölting, Wilhelm, 117, 119–120
North Atlantic Ocean Regional Planning Group, 481–482, 485, 771
North Atlantic Treaty Organization (NATO), 150, 161–164, 168–169, 370–371, 607, 684, 757, 1615–1616
  Austrian occupying forces, 1031, 1034–1035, 1045
  Icelandic role, 480–486
  Irish membership, 515, 521
  Medium-Term Defense Plan, 150, 322, 485
  Spanish membership, 157, 776–782, 803–804, 808, 830, 837
  Yugoslavia, defense of, 1717–1718, 1814, 1817, 1845–1846
Norway:
  Agreements with the United States, defense, 755–756, 758–760, 765–770
  Defense, 757, 762–765
  Economic situation, 762–764
  European Payments Union assistance to, 20, 24, 38–39
  Soviet Union, relations with, 760–762

Oatis, William (*see also under* Czechoslovakia), 182, 1281, 1351, 1377, 1399
Ohly, John N., 853–855, 989

Olmsted, Gen. George H., 1721, 1775
Organization for European Economic Cooperation (OEEC), 12, 22
  Council of Europe, proposed merger with, 1-4
  European manifesto, 44-45, 53-57, 60
  U.S. position re, 49-53, 58-59, 61-62

Pacciardi, Randolfo, 551, 564, 606, 610, 635, 741-742
Paris, Jacques Camille, 16, 35, 72*n*
Parodi, Alexandre, 305, 327, 336-337, 358, 377, 1714-1716
Pastore, Giulio, 584-585, 640
Payart, Jean, 1034, 1076
Pella, Giuseppe, 546, 564, 606-608, 610, 620, 639*n*, 641, 654-655, 706-712, 717, 744
Perkins, George W., 167
  Austria, 1050-1051, 1063-1064
  Eastern Europe, 1214-1217, 1285*n*, 1362-1363, 1367-1368, 1465, 1718
  France, 292*n*, 359*n*, 372, 409
  Italy, 265-267, 577, 579-580, 590*n*, 612*n*, 680, 682, 690-693, 718-720
  Spain, 816-817, 825, 840*n*
  United Kingdom, 888*n*, 889, 935-936, 972-975
  Western Europe, 34, 57*n*, 147, 155, 225, 514-515, 1005
  Yugoslavia, 1680, 1682*n*, 1732-1733, 1746-1747, 1753-1755, 1759-1761, 1765-1767, 1769-1771, 1781-1786
Petsche, Maurice, 292, 332, 385, 398, 404-405, 408-409, 412
Pflimlin, Pierre, 14, 21*n*, 85
Philip, André, 117, 119-120, 396
Pleven, René, 363, 381, 582*n*, 1709
  France:
    Defense, 297-298, 317-318, 320-322, 324, 333, 384-385, 456, 461
    Economic situation, 298, 331-332, 425, 440, 443-444, 455-457
    Indochina, 297, 299, 305-307, 309-313, 320, 335-336, 345, 440-441, 443, 457-458
    Relations with the United States, 151, 324-325, 329
  Political position, 152, 299, 407, 418, 459, 463
  Schuman Plan, 137, 316, 428
  Truman talks, 291-292, 295-303, 305-307, 309-313, 316-318, 320-322, 324-327, 330-335, 345-347
  Western Europe, 313, 316, 326-327, 336-338, 345-347
Plowden, Edwin, 890, 959, 962, 964
Poland, 143, 271, 1266-1267, 1280-1281, 1306, 1490-1508
Popović, Gen. Kocha, 242, 1777-1778, 1792-1793, 1815-1816, 1829, 1836-1837
Popović, Vladimir, 1700, 1723, 1759, 1836-1837, 1847-1848
  Trieste, Free Territory of, 241-242, 251, 680
Popović, Vladimir—Continued
  Yugoslavia, U.S. economic assistance to, 1679, 1696, 1699-1701, 1713, 1745, 1758-1759, 1769-1771, 1783-1786, 1837-1838, 1863-1864
Population surplus. *See under* Western Europe.
Porter, Ivor F., 236, 255-256, 1055-1061
Porter, Paul R., 44, 51-62, 139-141, 145-146
Portugal, 20, 688, 771-772, 776-777, 808, 813, 814*n*
*Pravda*, 1119*n*, 1247, 1279-1280, 1509, 1532
Prochazka, Vladimir, 1356-1357, 1362, 1383-1386, 1404, 1405*n*, 1407-1411, 1418*n*
Prohibited and Limited Industries Agreement (PLI), 87, 90-91

Quakers, 1573, 1618-1621
Queuille, Henri, 349, 394, 408, 440

Radio Free Europe, 1206-1208, 1217-1218, 1305-1306, 1312-1316, 1359-1362, 1364-1368, 1610*n*
Rankovic, Aleksandr, 1794, 1800-1802
Raynor, G. Hayden, 483, 497-498, 505, 516-518, 530*n*, 756, 766, 768, 902*n*, 925*n*, 978*n*
Reber, Samuel, Jr., 166, 1157*n*, 1183*n*
Refugees. *See* Eastern Europe: Exile groups; Western Europe: Population surplus *and* Refugees.
Reinhardt, G. Frederick, 240*n*, 1219, 1237-1238, 1536*n*, 1537*n*, 1560*n*, 1571-1573, 1639, 1659, 1684*n*, 1715-1716, 1721, 1727, 1741-1742, 1845-1846
Reynaud, M. Paul, 32, 64-65, 67, 70, 76, 81, 118, 409, 456
Ribicoff, Abraham A., 1560*n*, 1561*n*, 1607*n*, 1610*n*, 1660
Ricard, Pierre, 98, 100-101
Riddleberger, James W., 60, 62, 64, 70
Romania (*see also* Eastern Europe), 724, 1224-1226, 1231-1232, 1239-1241, 1296, 1307-1308
  Economic situation, 1239, 1268, 1511, 1515-1516
  Military situation, 1512-1513
  Political situation, 1509-1511
  Relations with the United States, 1268, 1513-1521
  Roman Catholic Church, 1510-1512
Rosen, Martin, 1680, 1686-1690, 1814*n*
Rosenson, Alexander M., 449-451, 930-933
Ross, Michael, 121, 730-731
Rossi Longhi, Alberto, 607-608, 610
Rowan, Leslie, 932, 964, 968
Rumania. *See* Romania.
Rusk, Dean, 302*n*, 311-312, 314-315, 336, 375-377, 905

Rutter, Peter, 1029*n*, 1047*n*, 1050*n*, 1062*n*, 1069*n*, 1075*n*, 1084*n*, 1136-1137, 1144*n*, 1155*n*, 1162*n*, 1167*n*, 1173*n*, 1183*n*

Santa Margherita Conference, 572-574, 582
Sardelic, Mirko, 1723-1724, 1758*n*
Sargeant, Howland H., 1643-1644, 1658-1660
Sauvagnargues, Jean, 1151-1152, 1187-1188, 1191
*Scanteia*, 1247, 1518, 1520
Schaerf, Adolph, 1011, 1021-1022, 1038, 1048, 1052-1053
Schelling, Thomas C., 275*n*, 387*n*, 587, 989*n*
Schumacher, Kurt, 105, 116, 121, 166, 378
Schuman Plan, 21, 27, 117-120
  Belgian position re, 103*n*, 106
  British position re, 15, 29, 118-119
  British-German scrap iron issue, effect on, 115, 122-130, 135
  Deutsche Kohlverein effect on, 86-89, 95-96, 130-135
  French position re, 89, 91-96, 98-101, 106, 113-114, 117-120, 137, 346, 357
  German participation in, 86-98, 102-105, 108-111, 116-119, 120-121, 127*n*, 137-138, 167
  High Authority of the European Coal and Steel Community, 89, 94, 101, 106-108, 112, 117-120
  Law *27* effect on, 86-87, 89-90, 92*n*, 93*n*, 97, 102-103, 111
  Ruhr Authority, dissolution of, 113-116, 126*n*, 129*n*, 136
  Treaty, Articles *60* and *61*, 89, 93*n*, 94-95, 106, 117
  U.S. economic support for, 107, 111-113
Schuman, Robert, 46-47, 106*n*, 271, 295, 383, 398, 440, 452, 573*n*, 582*n*, 604, 653, 666*n*, 667*n*, 672, 685, 739, 1070, 1130, 1181, 1648
  Acheson-Schuman talks, 335, 358-362, 364-365, 368-378
Sebree, Maj. Gen. Edmund B., 261-262, 742
Secchia, Pietro, 562*n*, 569
Sensi, Federico, 585, 586*n*, 603, 604*n*
Sforza, Carlo, 35, 43, 209, 221, 231, 239, 242, 571, 573*n*, 582, 586, 591, 600, 603-606, 610, 612*n*, 613, 626, 642, 1238, 1302
Sherer, Albert W., 1442-1444, 1464-1465
Sherman, Adm., 328-329, 371, 533*n*, 825-828, 829*n*, 832, 835, 860
Shinwell, Emmanuel, 973, 1031
Short, Joseph, 305, 705, 1674*n*
Shvernik, Nikolai Mikhailovich, 1609, 1630-1632, 1645
Široký, Viliam, 1357-1359, 1370-1371, 1379, 1414, 1422-1427, 1434-1435
Smith, H. Alexander, 34-35, 65, 67, 71, 830, 1771
Smith, Walter Bedell, 1665, 1731-1732
Snow, William P., 767, 769
Soviet bloc. *See* Eastern Europe.
Soviet Union (*see also* Austria; Eastern Europe):
  Agreements with the United States, 1547-1548, 1551-1557
  Austria, 10, 150-151, 1022-1024, 1027-1028, 1031, 1034, 1036, 1063-1064, 1070-1071, 1073, 1142
    Occupation costs, 1016-1018, 1025, 1045, 1079-1080
    State Treaty, position re, 1092-1095, 1112*n*, 1114, 1129, 1134
  Baltic Sea, possible closing of, 1197-1199, 1203-1204, 1213-1214
  British attitude toward, 897, 940-941, 975-979, 991-993
  China, People's Republic of, relations with, 154, 1524, 1544, 1617-1618
  Cominform, 1543
  Copyright dispute, 1557, 1602
  Correspondents in the United States, 1277-1280
  Defense, 153-154, 1585-1586, 1623-1624, 1627-1628
  Economic situation, 153, 1552-1554, 1584-1589, 1594, 1605, 1641, 1667
    Trade with the United States, 1539, 1541-1542, 1548-1550, 1633-1634, 1639
    U.S. economic policy, 1539, 1541-1542, 1548-1557
    U.S. ports, access to, 1200-1202, 1208-1210
  Foreign information activities, 1613-1614
  Foreign policy (*see also* Austria *above*; Relations with the United States *below*), 164-165, 1256, 1259-1260, 1542-1547, 1555-1556, 1583, 1597-1601, 1606-1607, 1615-1629, 1630*n*, 1632-1633, 1641-1642
    Albania, importance of, 1319-1321
    Danube River, freedom of navigation, 1205-1206, 1332, 1555
    Germany, Federal Republic of, 154, 159-160, 337, 1598-1599, 1621-1622, 1665-1666
    Italy, 624, 723, 732
    Trieste, Free Territory of, 260, 701, 1094
    Yugoslavia, policies re, 1544, 1626, 1693-1694
  Norway, war dead in, 760-761
  Official personnel in the United States, 1564-1570, 1590-1593, 1604-1605, 1611-1612
  Peace propaganda (*see also* International Economic Conference; World Peace Council), 1576, 1613-1614
  Political situation, 153, 1571, 1588, 1593
  Quaker visit, 1573, 1618-1621
  Relations with the United States, 987, 1444, 1473-1478, 1525-1526, 1553, 1649-1657, 1661-1662, 1665-1668, 1671-1674

Soviet Union—Continued
Relations with the United States—Continued
Diplomatic personnel, treatment of, 1527, 1547-1548, 1564-1570, 1590-1593, 1595-1597, 1602-1605, 1611-1612, 1653-1655, 1674-1675
McMahon-Ribicoff resolution, 1560-1564, 1607-1611, 1635-1641
Soviet and U.S. Presidents' correspondence, 1607-1611, 1635-1641, 1643-1648, 1658-1660
U.S. industrialists' visit proposed, 1558-1560, 1571-1573
U.S. longshoremen incident, 1590-1593, 1604-1605
United States, attitude toward, 1522-1523, 1528-1529, 1545-1547, 1586-1587, 1630-1632, 1641, 1656-1657
U.S. clergymen, 1547-1548, 1669-1670, 1676
United Nations, attitude toward, 1246-1248, 1534-1535, 1545-1547, 1563, 1584, 1600-1601, 1647
U.S. policy toward, 318-319, 1232-1238, 1259, 1529-1540, 1556-1557, 1574-1586
War with the United States, possible, 1532-1534, 1571; 1628-1629, 1630*n*
Spaak, Paul-Henri, 4*n*, 32, 35, 59, 64-66, 72-73, 76, 78, 82-84, 140
Spain, 157, 420, 939, 1007
Agreements with the United States, Mutual Security Agreement, 819, 822-825
Allies' position re, 797-801, 804*n*, 805-807, 810-812, 819-820, 827-829
Armed forces, 814-815, 831
Economic situation, 793-795, 814-815, 840-858
French position re, 780-787, 806-807
NATO membership, 157, 776-782, 803-804, 808, 830, 837
Political situation, 814-815, 822-825, 835-837, 859-871
Sherman-Franco discussions, 832-834, 838
U.S. military assistance, 785-786, 795-796, 838
U.S. military base negotiations, 825-827, 829*n*
U.S. policy toward, 157, 773-776, 782-793, 816, 820-822, 830-831, 834-835, 853
Western European defense, participation in, 692-693, 796, 807-809, 811
Spofford, Charles M., 47-48, 150, 161, 279*n*, 281, 606, 1296, 1298, 1348*n*, 1593, 1817
Stalin, Iosif, 153, 377, 897, 910, 976, 1532-1536, 1650-1651, 1843
Stepinac, Archbishop, 1798, 1833, 1853, 1866-1867
Stevens, Roger B., 122-124
Stikker, Dirk U., 4*n*, 13, 25-29, 31, 44, 46, 49*n*, 52, 104*n*, 140
Stinebower, Leroy D., 1853-1854
Struye, Paul, 73-74, 80-81, 118
Sviridov, Lt. Gen. Vladimir Petrovich, 1016-1017, 1018, 1062, 1070-1071, 1444
Sweden, 1-4, 20, 872-873, 964, 1264, 1272, 1290-1292
Switzerland, 20, 874, 878-882, 885-886
Economic situation, 878, 885
Foreign policy, 877-878, 884
Military situation, 875-878, 882-883

Tarchiani, Alberto, 218, 550-551, 554, 563, 577-580, 582-583, 597-598, 604, 605*n*, 606*n*, 611-612, 642, 703, 713
Tass (Telegraph Agency of the Soviet Union), 1277-1278
Taylor, Maj. Gen. Robert K., 758, 764
Taylor, Myron C., 1000, 1001*n*, 1002*n*, 1006
Teitgen, Pierre-Henri, 75, 82
Tesoro, George A., 186*n*, 630-631, 654-656
Thompson, Llewellyn E., Jr., 4*n*, 223*n*, 231-232, 235*n*, 604*n*, 633-636, 742, 1434*n*-1435*n*
Thorp, Williard L., 128, 184, 305, 330-332, 946, 961-971, 1372-1376, 1590-1592, 1679
Tibbetts, Margaret Joy, 906-911
Timmons, Benson, E.L., 424-426
Tito, Josip Broz, 1801, 1860-1867
Political position, 1729, 1737, 1748, 1793
Trieste, Free Territory of, 227*n*, 235, 242-243, 246, 248, 263, 271, 586, 659, 667, 679, 700, 702, 742
Yugoslavia:
Economic situation, 1687, 1749, 1794, 1842, 1865
Foreign military assistance, 1677, 1685, 1702, 1731, 1737, 1749, 1842
Foreign policy, 1325, 1701-1702, 1711-1712, 1736-1737, 1740
Military situation, 1690, 1702, 1731-1733, 1737, 1749, 1843, 1854-1855, 1863
Tobin, Irwin, M., 186-187, 529
Trade Agreements Extention Act of *1951*, 1268, 1416
Trieste, Free Territory of, 174, 646-647, 650-651, 677, 716, 1147
British position re, 207, 221, 235*n*, 586
Elections issue, 215-216, 228-236, 238, 242-243, 248-251, 255-256, 713
Italy:
Actions of sovereignty, 216-217, 223, 225-226, 703
Economic assistance to, 212, 219-220
Jurisdiction issue, 223, 225-226, 677-678, 680
Position re, 209, 231, 266-267, 586, 646, 675-680, 714, 742
Yugoslavia, negotiations with, 214, 218, 231, 239-240, 243, 245, 258*n*, 266, 646
Military aspects, 206-207, 259-265, 1035-1036

Trieste, Free Territory of—Continued
Soviet position re, 260, 701, 1094
U.S. economic assistance to, 211–213, 219–220, 224–225, 256–257
Yugoslav position re, 221–222, 227*n*, 236–237, 240–243, 245–248, 251–252, 255, 259, 263–264, 266–267, 636–637, 639, 650
Trimble, William C., 85, 166, 891–894
Tripartite Official Conversations Group, 1775–1776, 1802–1814
Truesdell, George E., 1372*n* 1552*n*, 1639*n*, 1686–1691, 1765–1768, 1769*n*, 1783*n*
Truman, Harry S., 376, 521, 534, 699–703, 1200*n*, 1209, 1267
Czechoslovakia, 1269, 1363, 1404–1405, 1416
France, 294*n*, 297–298, 305–310, 312–313, 316–327, 330–338, 344–348, 358, 362–368, 379
Hungary, 1466–1467, 1468*n*
Italy, 620, 704–705, 711
Soviet Union, 978–979, 987, 1590*n*, 1610–1611, 1637–1638, 1653, 1662, 1665–1667, 1673*n*, 1674*n*
Spain, 820*n*, 827*n*, 835, 839, 843*n*
Vatican, 1000–1005; 1008
Yugoslavia, 1696*n*, 1697*n*, 1713, 1761*n*, 1778, 1783
Tsinyev, Maj. Gen. G.K., 1009, 1031
Turkey, 19–20, 24, 28, 30, 154, 359–360, 370, 420, 684, 1626–1627, 1780

Unger, Leonard, 206–208, 216*n*, 222–224, 227–228, 232–233, 238–239, 243–244, 248–250, 253–257, 261–263
Unione Italiana del Lavoro (UIL), 730–731, 751–753
United Kingdom:
Armed forces, 913–914
Atomic energy, 77, 983, 988–989
Austria, 1032, 1040–1041
Occupation costs, 1013, 1049, 1054–1055, 1072, 1079–1080, 1087–1088
Rearmament, 1047, 1190
State Treaty, position re, 1117–1120, 1138–1139, 1149–1150, 1156*n*, 1181
Defense, 68, 898, 911–914, 993–995
Military talks with the United States, 888–889, 901*n*, 916*n*
Production, 887–888, 890–891, 911–914
Eastern Europe, 1275–1276
Civil aviation policy, 1265–1267, 1282–1283, 1391–1396
Peace treaty violations in, 1226*n*, 1269–1270
Defense issues, 68, 898, 993–995
Schuman Plan, 15, 29, 115, 118–119, 122–130, 135–137
Economic situation, 5, 143, 953, 955–962, 966–974, 983
Raw materials, 937–938, 945–952, 959–965
Foreign policy, 156–157, 169, 366, 533–534, 586, 898
United Kingdom—Continued
Foreign policy—Continued
Commonwealth Conference of Prime Ministers, 899–900, 906–911
Far East, differences with U.S. policy re, 893, 895–896, 903–905, 938–939
Germany, Federal Republic of, 88, 115, 122–130, 135, 148, 533–534, 939
Hungary, Sanders case, 724, 1462*n*,
India, 156–157, 940
Iran, 936, 940, 970, 982
Italian Treaty of Peace, revision of, 632–633, 644–648, 657–658, 662, 665–666, 723–724
Italy, 576, 586–587
Korea, 375–376, 893, 939
Relations with the United States, 77, 148–149, 900–903, 914–916, 919–922, 935–944, 980–989
Soviet Union, 897, 940–941, 975–979, 991–993
Spain, 157, 778–779, 805–806, 827–828, 921
Trieste, Free Territory of, 207, 221, 235*n*, 586
Western Europe, 15, 18–20, 24–25, 28–31, 42–43, 53, 65, 76, 80–81, 165
Yugoslavia, 1691–1692, 1703, 1734*n*, 1753–1755, 1784, 1870
Maclean-Burgess defection, 944–945
Political situation, 148–149, 891–899, 920–921, 972–975, 979
U.S. economic assistance, 18–20, 24–25, 916–918, 923–935, 938, 952–955, 959–960, 989–990, 995–999
United Nations, 33–34, 191–194, 376–377, 694, 698, 740, 795, 1278–1279, 1525–1526, 1563, 1847–1851
Austrian appeal, 1112–1113, 1136–1137
Eastern Europe, 724, 1330, 1440
Five-Power Peace Pact, Soviet proposal, 1253–1257, 1645–1646
Italian membership, 683–684, 716, 718, 724, 736–737, 739–740, 747
Peace resolutions, 1257, 1545, 1563–1564
Soviet attitude toward, 1246–1248, 1534–1535, 1545–1547, 1563, 1584, 1600–1601, 1647
United Nations Economic and Social Council, 1399–1401
United Nations Special Committee on the Balkans, 1334
United States International Information and Educational Exchange Program (USIE), 792–793, 1258–1259, 1313–1316, 1540
United States Information Service (USIS), 1504–1507
Ürgüplü, Suad Hayri, 13, 16, 28

Van Sycle, Col. David L., 275*n*, 387*n*, 552*n*, 587*n*

Van Zeeland. *See* Zeeland.
Vatican, 550, 1000-1008
Vedeler, 1296, 1348*n*, 1356*n*, 1367*n*, 1372*n*, 1381*n*, 1386*n*, 1391*n*, 1395*n*, 1404*n*, 1405*n*, 1490*n*, 1503*n*, 1522-1523
Velebit, Gen. Vladimir, 245, 680, 702, 1685-1687, 1689, 1721, 1725-1727, 1741-1742, 1746-1747, 1776-1778
Venizelos, Sophocles, 1719, 1779, 1780*n*, 1781*n*
Vernon, Raymond, 21*n*, 103*n*, 107-108, 111*n*, 121*n*, 125*n*, 126*n*, 1372
Viet Minh, 314, 372, 457-458
Vietnam (*see also* Indochina), 297, 335-336, 356-358, 373, 1544
Vilfan, Joza, 236-237, 252, 1855-1856, 1859-1860, 1867
Vogeler, Robert (*see also* Hungary: Vogeler case), 1455*n*, 1458-1459
Voice of America (VOA), 1202, 1216, 1218, 1233, 1238, 1258-1259, 1263-1264, 1312-1315, 1330, 1334-1335, 1347-1348, 1446-1447, 1452*n*, 1455, 1539, 1605, 1610*n*
Vyshinsky, Andrei, 760, 1178*n*, 1473-1474, 1476, 1522-1523, 1650-1652, 1655-1658, 1661-1662, 1672-1673

Walker, Peter C., 1680-1681, 1686*n*
Warren, George L., 186*n*, 189-190, 194-203
Warsaw Peace Congress, *1950*, 1246, 1255
Webb, James E., 77*n*, 96*n*, 135, 190, 514, 880*n*
  Austria, 1062-1063, 1074-1076, 1084-1085, 1108-1112, 1131-1132, 1144-1146, 1162-1163, 1167-1170, 1177-1180, 1182-1184, 1194-1195
  Czechoslovakia, 1281-1285, 1296, 1395-1398, 1411-1413, 1415-1416, 1424-1425, 1428-1429
  Eastern Europe, 1227-1232, 1257-1261, 1265-1267, 1281-1285, 1296-1298, 1306-1311, 1318-1319, 1445-1446, 1490-1492
  France, 358*n*, 435, 442*n*, 445-446
  Italy, 216-217, 583, 597-599, 745-746, 749-750
  Soviet Union, 1310-1311, 1592-1593, 1651-1652, 1673-1674
  Spain, 802-804, 818, 852-853, 856-857
  United Kingdom, 926, 978-979
  Yugoslavia, 1778, 1844, 1856-1859, 1861-1862, 1867-1870
West, Robert, 171-187, 191-194, 710-711, 719
Western Europe (*see also* Council of Europe; European Payments Union; Organization for European Economic Cooperation):
  Agricultural cooperation, 13-17, 21-22, 36-37, 85
  Atomic weapons, use of, 269-270
Western Europe —Continued
  Defense (*see also* North Atlantic Treaty Organization), 44-45, 70, 77-80, 150, 157-158, 160-162, 269-271, 318-319, 373-378, 685, 692-693, 1529-1532
    Belgium, participation in, 269, 273-279, 281, 286-290
    British position re, 68, 993-995
    French position re, 298-299, 322-324, 345-346, 377-378, 438, 441
    Germany, Federal Republic of, participation in, 158, 168-169, 336-337, 346, 377, 691
    Rearmament, 7-8, 27, 45, 47-48
    Spain, participation in, 692-693, 796, 807-809, 811
    U.S. position re, 32-34, 49-50, 77-79, 269, 274, 289-290, 322-324, 333-334, 417
  Economic situation, 4-12, 56, 367
    Coal, 8-10, 55, 139-146, 425-426
    European Manifesto, 13, 49-62
    Foodstuffs, 9-10, 55
    Inflation, 5-8, 10, 56, 331-332, 341-342, 347
    Raw materials, 4*n*, 5-10, 55, 332, 342-343, 347
    Steel industry (*see also* Germany, Federal Republic of: Economic situation; Schuman Plan), 55, 113-116, 122-125, 127-137
    Trade, 7, 9-10, 56-57
  Federal political union for, U.S. position re, 17-18
  Four-Power Conference, proposed, U.S. position re, 325-327, 329
  Political refugees from the East, 175, 1272, 1290-1292
  Political situation, 13, 25-27
  Population surplus, 171-185, 187-190
    Belgian proposals re, 190-191
    British position re, 186-187
    Brussels Conference on Migration, 194-203
    Italy, 587, 690-691, 704-705, 708, 710-713, 716, 719
    Naples Conference on Migration, 186, 191-194, 711
  Rearmament. *See under* Defense *above*.
  Refugees (*see also under* Eastern Europe: Exile groups; *and* Population surplus *above*), 175, 1272, 1290-1292
  Soviet policy in, 1583, 1599, 1626-1627
  U.S. economic assistance (*see also* Economic Cooperation Administration; European Payments Union), 22*n*, 23*n*, 107-108, 111-113, 162-163, 367
    U.S.-French Economic Working Group, 330-331, 338-344
  Unity:
    Council of Europe debate on, 59-60, 63-76, 80-84
    U.S. resolution re, 17-18

Western Europe —Continued
Unity—Continued
Western European Ambassadors Conference, 147-170
Whitman, Roswell H., 552*n*, 569*n*
Wiley, Alexander, 71, 830-831
Williamson, Francis T., 411*n*, 837, 839*n*, 1010*n*, 1012*n*, 1104*n*, 1108*n*, 1111*n*, 1127*n*, 1144*n*, 1162*n*, 1177*n*, 1182*n*, 1183*n*
Austria, 1036-1037, 1089-1090
State Treaty, 1101-1103, 1136-1137, 1157-1158
U.S. economic assistance, 1051-1052, 1080-1081
Italy, 637-638, 727-729, 737-738, 747-748
Wilson, Charles, 332, 428, 1558, 1560*n* 1572
Winfree, R.M., 269*n*, 275*n*, 279*n*
Winterton, John, 222, 227, 232, 238-239, 248-249, 253, 255
Wolf, Joseph J., 587*n*, 852*n*, 761*n*, 762*n*, 1227*n*, 1386*n*, 1411*n*
Wolff, Stanley B., 577*n*, 581*n*, 654*n*, 721-723, 742-745
Wood, C. Tyler, 44-45, 49*n*, 51-53
World Federation of Trade Unions (WFTU), 1210-1211, 1245, 1250-1251, 1544, 1555
World Peace Council, 1246-1250, 1252-1257, 1273-1275, 1286-1288, 1293-1294, 1543

Xanthaky, Theodore, 859, 868-869

Yugoslav Emergency Relief Act of *1950*, 1678-1679, 1699
Yugoslavia, 574, 636, 657, 1205-1206, 1260
Armed forces, 1685, 1690, 1702, 1713
Economic situation, 1681-1682, 1708, 1735, 1772-1773, 1788-1789, 1798-1799, 1803-1805
European Payments Union, membership in, 1818-1819, 1841-1842
Tripartite Official Conversations report, 1802-1814
Food assistance, 1699-1700, 1735-1736, 1762
Foreign policy, 1320, 1324-1326, 1333, 1719
Greece, 1718-1719, 1779-1780, 1781*n*, 1789
Italian Treaty of Peace, revision of, 230*n*, 638-639, 645-646, 650-651
Italy, 209, 214-215, 245-246, 678, 732
International economic assistance to, 240, 1240, 1679, 1681-1683, 1684*n*, 1689-1691, 1693-1695, 1745-1746, 1750-1752, 1759-1763, 1765-1772, 1778-1779, 1783-1786, 1805-1811, 1834-1840, 1844, 1858, 1863-1866, 1868-1872
Yugoslavia—Continued
International economic assistance to—Continued
International Bank for Reconstruction and Development loans, 1680-1681, 1686-1689, 1698, 1743-1745, 1770-1771, 1773-1775, 1785, 1811-1814, 1853-1854
Korean war, position re, 1712, 1737, 1799
Military situation, 1693-1694, 1717-1718, 1730-1731, 1737-1741, 1748-1749, 1756-1757, 1789-1790, 1841-1851, 1863
NATO involvement in defense of, 1717-1718, 1814, 1817, 1845-1846
Political situation, 1693-1694, 1728-1729, 1737-1738, 1748, 1794-1802, 1820, 1865-1866
Relations with the United States, 1696-1697, 1712-1713, 1732-1734, 1758-1759, 1781-1782, 1819, 1836
Military talks, 1777-1778, 1786-1788, 1792-1793, 1815-1816, 1838
Roman Catholic Church, policies re, 1797-1798, 1833-1834, 1866-1867
Soviet Union, 1544, 1626, 1693-1694
Strategic importance of, 1685, 1690, 1694, 1749
Trieste, Free Territory of, 221-222, 227*n*, 236-237, 240-243, 245-248, 251-252, 255, 259, 263-264, 266-267, 636-637, 639, 650
Italy, negotiations with re, 214, 218, 231, 239-240, 243, 245, 258*n*, 266, 646
U.S. economic assistance, 1818, 1821-1827, 1861-1862
U.S. military assistance, 263, 1677-1678, 1697-1698, 1713-1716, 1725-1727, 1734, 1741-1743, 1746-1747, 1775-1776, 1790-1791, 1836-1837, 1840
British position re, 1691-1692, 1703-1708, 1714, 1764
French position re, 1678, 1715-1716, 1772
Italian position re, 1724-1725
U.S. position re, 1684-1686, 1695, 1707, 1710-1711, 1719-1722, 1754-1755, 1764, 1830-1833, 1851-1861

Zablocki, Clement J., 263, 1866
Zarubin, Georgyi N., 1114, 1156, 1157*n*
Zeeland, Paul van, 48, 81, 103*n*, 273-275, 280-281, 285-289
Zoppi, Vittorio, 235*n*, 571-572, 575, 583, 682-683, 689, 691, 693-694, 697, 705, 712

☆U.S. GOVERNMENT PRINTING OFFICE: 1985 -0- 480-942 (61234)